Company number: 06492082

EXPRO HOLDINGS UK 3 LIMITED

Unaudited Condensed Consolidated
Financial Statements

Quarterly Report

Six months to 30 September 2013

Contents

Financial Summary

Q2 FY 2014 vs. Q1 FY 2014	3 months to 30 September 2013 $'000	3 months to 30 June 2013 $'000	Change
Revenue CCR[1]	335,300	330,970	1.3%
Adjusted revenue[1]	335,300	333,778	0.5%
Adjusted operating profit[2]	95,202	83,551	13.9%
Adjusted operating margin[3]	28.4%	25.0%	3.4pts
Revenue	335,300	333,778	0.5%
Operating profit	46,143	46,453	(0.7%)

H1 FY 2014 vs. H1 FY 2013	6 months to 30 September 2013 $'000	6 months to 30 September 2012 $'000	Change
Revenue CCR[1]	669,078	576,931	16.0%
Adjusted revenue[1]	669,078	584,150	14.5%
Adjusted operating profit[2]	178,753	138,083	29.5%
Adjusted operating margin[3]	26.7 %	23.6%	3.1pts
Revenue	669,078	584,150	14.5%
Operating profit	92,596	49,572	86.8%

Q2 FY 2014 vs. Q2 FY 2013	3 months to 30 September 2013 $'000	3 months to 30 September 2012 $'000	Change
Revenue CCR[1]	335,300	297,166	12.8%
Adjusted revenue[1]	335,300	299,559	11.9%
Adjusted operating profit[2]	95,202	71,249	33.6%
Adjusted operating margin[3]	28.4%	23.8%	4.6pts
Revenue	335,300	299,559	11.9%
Operating profit	46,143	28,429	62.3%

Financial position, liquidity and capital resources	30 September 2013 $'000	31 March 2013 $'000	Change
Cash	159,009	106,822	52,187
Working capital percentage[4]	16.2%	12.6%	3.6pts
Net debt[4]	1,892,883	1,808,104	84,779
LTM leverage[4]	5.7x	6.1x	(0.4x)
Liquidity headroom[4]	280,549	201,036	79,513

[1] "Revenue CCR" is defined as revenue which, for the comparative periods, is restated on a 'constant currency rate' by converting each underlying transaction that arose in the period and applying the average monthly foreign exchange rate that prevailed in each month of the current period. "Adjusted revenue" excludes items that either distort the underlying trends of the business or are not considered by management to be part of the core operations of the Group. Further details of adjustments are set out in note 3.

[2] "Adjusted operating profit" is defined as operating profit excluding depreciation and amortisation and other similar non-cash items, together with other items that either distort the underlying trends of the business or are not considered by management to be part of the core operations of the Group. Further details are set out in note 3.

[3] "Adjusted operating margin" is the ratio of adjusted operating profit over adjusted revenue.

[4] "Working capital percentage", "Net debt", "LTM leverage" and "Liquidity headroom" are defined within the business review on page 7-8.

Business review

Introduction
This report presents the quarterly results for Expro Holdings UK 3 Limited and its consolidated subsidiaries (the "Group").

Financial and operating results
The business review in the quarterly report presents financial and operating results for the following periods:
- Three months to 30 September 2013 compared to three months to 30 June 2013;
- Six months to 30 September 2013 compared to six months to 30 September 2012;
- Three months to 30 September 2013 compared to three months to 30 September 2012.

Key points arising
In order to facilitate an understanding of the Group's performance and progression over prior periods, segmental revenue and adjusted measures have been provided to identify key trends over the periods under review. We would like to highlight the following points in this report:

Use of adjusted measures
Adjusted items, be that revenue, costs or operating profit exclude impairment, depreciation and amortisation and other similar non-cash items together with other items that either distort the underlying trends of the business or are not considered by management to be part of the core operations of the Group. In summary, the exclusion of non-cash charges such as depreciation, amortisation and impairment means that this measure is similar to EBITDA. Full details are set out in note 3.

Disposal of Connectors and Measurements
On 2 May 2012, the Group disposed of its Connectors and Measurements business ("C&M"), comprising the Tronic and Matre brands, to Siemens AG for a purchase consideration of $616.2m, which has been received in full. $10m of the consideration received has been recorded in the three months to 30 June 2013 within exceptional income. The Group incurred $14.7m of transaction costs associated with the sale, leaving net proceeds of $601.5m. The gain on disposal is $240.6m (see note 6).
The C&M results are presented within discontinued operations and excluded from the segmental financial information.

Bond tender offer
On 6 June 2012 the Group completed a tender offer to purchase $425.0m, inclusive of $16.5m of accrued and unpaid interest, of its outstanding 8.5% Senior Secured Notes due 2016.

Capital reduction and loan capitalisation
On 22 March 2013, the Group concluded a restructuring of the financing provided by its shareholders. As a result, the Company issued $4,123.2m of ordinary shares for a consideration of $3.0m cash and the cancellation of $4,120.2m of shareholder loans. Following this capital restructuring the Company also undertook a capital reduction which reduced its share capital to $1,000 and fully extinguished its share premium account in order to create an equivalent amount of distributable reserves.

Bond issue
On 15 July 2013, the Group issued senior secured notes with a nominal value of $100m, a coupon of 8.5% and maturity date of 15 December 2016. The notes were issued at an original issue premium of $4.5m, generating proceeds of $104.5m and incurring $3.5m of transaction costs and are being accounted for under the effective interest rate method.

Revolving Credit Facility maturity
On 15 July 2013, the Group extended the maturity date of its Revolving Credit Facility by two years to 21 December 2016 and achieved a reduction in margin.

Quarterly sequential performance

	3 months to 30 September 2013 $'000	3 months to 30 June 2013 $'000	Change
Revenue CCR[1]	335,300	330,970	1.3%
Adjusted revenue[1]	335,300	333,778	0.5%
Adjusted operating profit[2]	95,202	83,551	13.9%
Adjusted operating margin[3]	28.4%	25.0%	3.4pts
Revenue	335,300	333,778	0.5%
Operating profit	46,143	46,453	(0.7%)

Business review

Overall trading performance

Adjusted revenue in the three months to 30 September 2013 of $335.3m was up 1.3%, or $4.3m on a constant currency basis compared to prior quarter. This was driven by increased activity across a number of product lines in the UK partially offset by the successful completion of a project to design and build an Early Production Facility ("EPF") in Venezuela in the prior quarter.

The adjusted operating margin was 3.4pts higher than the prior quarter, with the leveraging effect of increased activity in Europe CIS as well as favourable movements in foreign exchange driving the variance.

Segmental revenue

	3 months to 30 September 2013 $'000	3 months to 30 June 2013 constant currency $'000	Change constant currency %
Europe CIS	103,712	86,810	19.5%
Sub-Saharan Africa	69,614	71,384	(2.5%)
Middle East and North Africa	24,393	23,973	1.8%
Asia	26,772	27,006	(0.9%)
North America Land	18,948	18,360	3.2%
North America Offshore	31,801	30,984	2.6%
Latin America	28,666	27,783	3.2%
Expro PTI	25,064	40,807	(38.6%)
Equipment Sales	6,340	3,677	72.4%
Other	(10)	186	n/a
Revenue CCR[1]	**335,300**	**330,970**	**1.3%**

Regional Businesses

Europe CIS

Revenue in the three months to 30 September 2013 of $103.7m was $16.9m higher than the prior quarter, primarily as a result of higher well test, wireline and fluids activity in the UK and higher well test activity in Cyprus and Kazakhstan.

Sub-Saharan Africa

In the three months to 30 September 2013 revenue of $69.6m was $1.8m lower than revenue in the prior quarter, reflecting lower activity across a number of product lines in Kenya and lower subsea activity in Angola, partially offset by higher production systems activity.

Middle East and North Africa

$24.4m revenue in the three months to the 30 September 2013 was marginally higher than the prior quarter, as a result of increased well test, wireline and fluids activity in Algeria offset by lower well test activity in Libya.

Asia

Revenue in the three months to the 30 September 2013 of $26.8m was marginally lower than the prior quarter, with lower activity across a number of product lines in Indonesia and Australia offset by increased subsea activity in India and increased well test and wireline activity in the Philippines.

North America Land

$18.9m revenue in the three months to the 30 September 2013 was $0.6m higher than revenue in the prior quarter, reflecting increased power chokes activity.

North America Offshore

Higher well test and subsea activity in the Gulf of Mexico, partially offset by lower TCP activity has been reflected by revenue in the three months to the 30 September 2013 of $31.8m being $0.8m higher than the prior quarter.

Business review

Latin America

In the three months to the 30 September 2013 revenue of $28.7m was $0.9m higher than the prior quarter, primarily as a result of higher subsea activity in Mexico and higher WWS activity in Brazil, partially offset by lower well test and subsea activity in Brazil.

Expro PTI

Revenue in the three months to the 30 September 2013 of $25.1m was $15.7m lower than the prior quarter, with the successful completion of a project to design and build an Early Production Facility ("EPF") in Venezuela in the prior quarter and lower equipment sales in Malaysia.

Equipment Sales

Revenue of $6.3m in the three months to the 30 September 2013 was $2.7m higher than the prior quarter as a result of increased burner boom activity.

Half year performance compared to prior year

	6 months to 30 September 2013 $'000	6 months to 30 September 2012 $'000	Change
Revenue CCR[1]	669,078	576,931	16.0%
Adjusted revenue[1]	669,078	584,150	14.5%
Adjusted operating profit[2]	178,753	138,083	29.5%
Adjusted operating margin[3]	26.7%	23.6%	3.1pts
Revenue	669,078	584,150	14.5%
Operating profit	92,596	49,572	86.8%

Overall trading performance

Adjusted revenue in the six months to September 2013 of $669.1m was up 16.0%, or $92.1m on a constant currency basis compared to the same period last year. Revenue was significantly ahead in all business areas with the exception of Latin America and Equipment sales.

The adjusted operating margin was 3.1pts higher than the same period last quarter, reflecting operational leverage effect of increased activity.

Segmental revenue

	6 months to 30 September 2013 $'000	6 months to 30 September 2012 constant currency $'000	Change constant currency %
Europe CIS	191,080	170,381	12.1%
Sub-Saharan Africa	141,057	111,640	26.3%
Middle East North Africa	48,358	39,130	23.6%
Asia	54,176	41,408	30.8%
North America Land	37,339	32,100	16.3%
North America Offshore	62,851	47,682	31.8%
Latin America	57,826	58,518	(1.2%)
Expro PTI	66,198	54,099	22.4%
Equipment Sales	10,017	21,984	(54.4%)
Expro Meters	176	241	(27.0%)
Other	-	(252)	n/a
Revenue CCR[1]	**669,078**	**576,931**	**16.0%**

Regional Businesses

Business review

Europe CIS
Revenue in the six months to September 2013 of £191.1m was $20.7m higher than the same period last year, with increased subsea and well test activity in Norway and the UK and increased WWS activity in Norway partly offsetting the completion of a subsea contract in the Eastern Mediterranean.

Sub-Saharan Africa
Revenue of $141.1m in the six months to September 2013 was $29.4m higher than the same period last year, with higher subsea activity in Angola and Nigeria, higher well test activity in Ethiopia, South Africa and in Congo during the first quarter and increased activity across a variety of product lines in Kenya.

Middle East and North Africa
In the six months to September 2013 revenue was $9.2m higher than the same period last year at $48.4m, primarily due to increased well test activity in Saudi Arabia and Libya and a new production systems contract in Northern Iraq.

Asia
Revenue of $54.2m in the six months to September 2013 was $12.8m higher than the same period last year, resulting from increased subsea activity in Australia, China and India and increased activity across a number of product lines in Indonesia.

North America Land
Revenue in the six months to September 2013 of $37.3m was $5.2m higher than the same period last year, with higher powerchokes and TCP activity.

North America Offshore
Revenue in the six months to September 2013 of $62.9m was $15.2m higher than the same period last year, primarily due to higher subsea and well test activity in the Gulf of Mexico and Canada and increased well test and TCP work in Alaska.

Latin America
Revenue of $57.8m in the six months to September 2013 was marginally lower than the same period last year, with lower well test, subsea and fluids activity offset by higher wireline and WWS activity in Brazil.

Expro PTI
Revenue in the six months to September 2013 of $66.2m was $12.1m higher than the same period last year, reflecting increased equipment sales in Malaysia, the design and build project in Venezuela in the first quarter and the increased activity in Africa.

Equipment Sales
In the six months to 30 September 2013 revenue of $10.0m was $12.0m lower than the same period last year, primarily resulting from the reclassification of powerchokes to a regional product line and the reduction in sales of burner booms compared to the same period last year.

Quarterly performance compared to prior year

	3 months to 30 September 2013 $'000	**3 months to 30 September 2012 $'000**	**Change**
Revenue CCR[1]	335,300	297,166	12.8%
Adjusted revenue[1]	335,300	299,559	11.9%
Adjusted operating profit[2]	95,202	71,249	33.6%
Adjusted operating margin[3]	28.4%	23.8%	4.6pts
Revenue	335,300	299,559	11.9%
Operating profit	46,143	28,429	62.3%

Overall trading performance
Adjusted revenue in the three months to 30 September 2013 of $335.3m was up 12.8%, or $38.1m on a constant currency basis compared to the same quarter last year. Revenue was ahead in all businesses with the exception of Expro PTI, Equipment sales and Latin America. The most notable positive variances were in Europe CIS, Sub Saharan Africa and Asia.
The adjusted operating margin was 4.6pts higher than the same period last quarter, primarily due to the leverage impact of increased activity in Europe CIS and Sub-Saharan Africa.

Business review

Segmental revenue

	3 months to 30 September 2013 $'000	3 months to 30 September 2012 constant currency $'000	Change constant currency %
Europe CIS	103,712	89,809	15.5%
Sub-Saharan Africa	69,614	54,894	26.8%
Middle East and North Africa	24,393	20,948	16.4%
Asia	26,772	19,213	39.3%
North America Land	18,948	16,902	12.1%
North America Offshore	31,801	25,295	25.7%
Latin America	28,666	28,777	(0.4%)
Expro PTI	25,064	30,394	(17.5%)
Equipment Sales	6,340	10,629	(40.4%)
Expro Meters	(10)	305	n/a
Revenue CCR[1]	**335,300**	**297,166**	

Regional Businesses

Europe CIS
In the three months to the 30 September 2013 revenue of $103.7m was $13.9m higher than the same period last year, with the completion of a subsea contract in Eastern Mediterranean more than offset by increased well test and subsea activity in the UK and Norway and increased WWS activity in Norway.

Sub-Saharan Africa
Revenue of $69.6m in the three months to 30 September 2013 was $14.7m higher than the same period last year, reflecting increased subsea activity in Angola and Nigeria, increased activity across a number of product lines in Ethiopia and increased production systems activity.

Middle East and North Africa
Revenue in the three months to the 30 September 2013 of $24.4m was $3.4m higher than the same period last year, driven by a new production systems contract in Northern Iraq and increased well test activity in Saudi Arabia and Algeria.

Asia
Revenue in the three months to the 30 September 2013 was $7.6m higher than the same period last year at $26.8m, reflecting increased subsea activity in China, Malaysia and Australia and increased wireline activity in Indonesia.

North America Land
$18.9m of revenue in the three months to the 30 September 2013 was $2.0m higher than the same period last year, driven by increased powerchokes activity partially offset by lower wireline activity in Canada.

North America Offshore
Revenue in the three months to the 30 September 2013 of $31.8m was $6.5m higher than the same period last year, reflecting increased well test activity in the Gulf of Mexico, increased well test and TCP work in Alaska and increased subsea activity in Canada.

Latin America
In the three months to the 30 September 2013 revenue of $28.7m was marginally lower than the same period last year, with lower well test and subsea activity in Brazil offset by higher subsea activity in Mexico and higher wireline and WWS activity in Brazil.

Expro PTI
Revenue in the three months to the 30 September 2013 was $5.3m lower than the same period last year at $25.1m, reflecting lower equipment sales in Thailand partially offset by activity in Africa and Venezuela.

Business review

Equipment Sales
Revenue in the three months to the 30 September 2013 of $6.3m was $4.3m lower than the same period last year, primarily resulting from the reclassification of powerchokes to a regional product line and the reduction in sales of burner booms compared to the same period last year.

Foreign exchange rates

Foreign exchange rates at the reporting date

	30 September 2013 $1 equals	31 March 2013 $1 equals	Change %
AUD (Australian Dollar)	1.0727	0.9653	12.2%
BRL (Brazilian Real)	2.2571	2.0185	11.8%
EUR (Euro)	0.7394	0.7802	(5.2%)
GBP (Pound Sterling)	0.6195	0.6605	(6.2%)
NOK (Norwegian Kroner)	5.9844	5.8377	2.5%

Average foreign exchange rates

	3 months to 30 September 2013 $1 equals	3 months to 30 June 2013 $1 equals	6 months to 30 September 2013 $1 equals	6 months to 30 September 2012 $1 equals
AUD (Australian Dollar)	1.0974	0.9869	1.0421	0.9764
BRL (Brazilian Real)	2.2719	2.0359	2.1539	1.9832
EUR (Euro)	0.7581	0.7717	0.7649	0.7875
GBP (Pound Sterling)	0.6506	0.6549	0.6527	0.6328
NOK (Norwegian Kroner)	6.0248	5.8434	5.9341	5.9041

Financial position, liquidity and capital resources

Working capital
A key performance indicator for the Group is working capital as a percentage of quarterly annualised sales. This relative measure has increased to 16.2% from 12.6%, driven by the temporary increase to certain accounts receivable balances combined with a reduced level of payables and accruals, which resulted in the indicator being outside the Group's target range of 13% to 15%. We do not have any concerns over the recoverability of these receivable balances.

	30 September 2013 $'000	31 March 2013 $'000	Change $'000
Adjusted revenue for the quarter	335,300	328,318	6,982
Annualised adjusted revenue (Adjusted revenue x4)	**1,341,200**	**1,313,272**	**27,928**
Working capital[5]	190,261	140,425	49,836
Add back accrued interest	27,341	24,815	2,526
Adjusted working capital	**217,602**	**165,240**	**52,362**
Working capital percentage[6]	**16.2%**	**12.6%**	**3.6pts**

Capital expenditure

[5] "Working capital" is defined as inventories and trade and other receivables, less trade and other payables as set out within the condensed consolidated statement of financial position.

[6] "Working capital percentage" is the ratio of adjusted working capital over annualised adjusted revenue

Business review

	3 months to 30 September 2013 $'000	3 months to 30 June 2013 $'000	Change from prior quarter $'000	6 months to 30 September 2013 $'000	6 months to 30 September 2012 $'000	Change from prior year $'000
Capital expenditure[7]	32,300	40,549	(8,249)	72,849	70,785	2,064

During the three months to 30 September 2013 capital expenditure was $8.3m lower than the prior quarter. This is due to large subsea payments in the prior quarter which were not repeated in this period.

Compared to the same six month period last year, the Group has increased capital expenditure by $2.1m as a result of higher spends on subsea and well test.

Net debt

	30 September 2013 $'000	31 March 2013 $'000	Change $'000
Finance leases	(7,864)	(8,495)	631
Senior secured notes	(1,057,138)	(951,691)	(105,447)
Other interest bearing loans	(986,890)	(954,740)	(32,150)
Less cash	159,009	106,822	52,187
Total net debt	**(1,892,883)**	**(1,808,104)**	**(84,779)**

Leverage

During the six months to 30 September 2013, the Group's net debt decreased to 5.7 times its adjusted operating profit, as set out below.

	30 September 2013 $'000	31 March 2013 $'000	Change $'000
Net debt	1,892,883	1,808,104	84,779
Adjusted operating profit from continuing operations over last 12 months	331,477	290,807	40,670
Adjusted operating profit from discontinued operations over last 12 months	-	6,535	(6,535)
Total adjusted operating profit over last 12 months	331,477	297,342	34,135
LTM leverage	**5.7x**	**6.1x**	**(0.4x)**

Liquidity

During the six months to 30 September 2013, the Group's total liquidity headroom increased by $79.5m to $280.5m, as set out below.

	30 September 2013 $'000	31 March 2013 $'000	Change $'000
Cash	159,009	106,822	52,187
Undrawn loan facilities	132,337	132,337	-
Ring-fenced cash	(6,785)	(34,165)	27,380
Trapped cash	(4,012)	(3,958)	(54)
Liquidity headroom	**280,549**	**201,036**	**79,513**

Covenants

7 "Capital expenditure" is the equivalent of cash outflow on the purchase of property, plant and equipment as set out within the consolidated statement of financial position.

Business review

The Group has maintenance covenants on its mezzanine loan and revolving credit facility. During the period under review and at 30 September 2013, the Group was in compliance with these covenants, and continues to closely monitor these covenants against its financial projections.

As at 30 September 2013, the Group held ring-fenced cash of $6.7m. This amount has been ring-fenced in order to settle the liability of the interest rate swaps connected to the Group's Mezzanine loan.

Outlook and risk factors

The Group's performance continues to be encouraging. Adjusted revenue in the quarter to 30 September 2013 is 12.8% higher compared to the same quarter in the prior year, on a constant currency basis.

As regards the next six months, the Group remains cautiously optimistic and expects to see a continued improvement in performance, reflecting the continued strengthening in the international oil and gas sector and the benefits of our capital expenditure programme. This anticipated near term improvement is, however, subject to the timing of significant offshore oil and gas developments, which in turn are subject to the decision making processes of both International and National Oil Companies.

In the longer term, the Group continues to believe it has excellent growth prospects reflecting the opportunities arising from the continued demand for hydrocarbons, the tightening of supply and its position within the Oil Field Service sector.

Condensed consolidated income statement

Period ended 30 September 2013

	Note	3 months to 30 September 2013 Adjusted $'000	3 months to 30 September 2013 Adjustments[8] $'000	3 months to 30 September 2013 Total $'000	3 months to 30 September 2012 Adjusted (Restated) $'000	3 months to 30 September 2012 Adjustments[8] (Restated) $'000	3 months to 30 September 2012 Total (Restated) $'000
Continuing operations							
Revenue	3	335,300	-	335,300	299,559	-	299,559
Cost of sales		(231,610)	(47,033)	(278,643)	(217,124)	(42,610)	(259,734)
Gross profit		**103,690**	**(47,033)**	**56,657**	**82,435**	**(42,610)**	**39,825**
Administration expenses		(11,260)	(2,026)	(13,286)	(12,826)	(210)	(13,036)
Post tax share of results from JV		2,772	-	2,772	1,640	-	1,640
Operating profit	3	**95,202**	**(49,059)**	**46,143**	**71,249**	**(42,820)**	**28,429**
Net finance costs	4			(56,032)			(185,579)
Loss before tax				**(9,889)**			**(157,150)**
Tax	5			(7,066)			(9,699)
Loss after tax				**(16,955)**			**(166,849)**
Discontinued operations							
Profit after tax	6			-			7,352
Loss for the period				**(16,955)**			**(159,497)**
Attributable to:							
Equity holders of the parent				**(16,955)**			**(159,497)**

[8] Details of adjustments are included in note 3.

Condensed consolidated income statement

Period ended 30 September 2013

	Note	6 months to 30 September 2013 Adjusted $'000	6 months to 30 September 2013 Adjustments[8] $'000	6 months to 30 September 2013 Total $'000	6 months to 30 September 2012 Adjusted (Restated) $'000	6 months to 30 September 2012 Adjustments[8] (Restated) $'000	6 months to 30 September 2012 Total (Restated) $'000
Continuing operations							
Revenue	3	669,078	-	669,078	584,150	-	584,150
Cost of sales		(469,058)	(92,601)	(561,659)	(426,541)	(86,316)	(512,857)
Gross profit		**200,020**	**(92,601)**	**107,419**	**157,609**	**(86,316)**	**71,293**
Administration expenses		(27,138)	6,444	(20,694)	(25,333)	(2,195)	(27,528)
Post tax share of results from JV		5,871	-	5,871	5,807	-	5,807
Operating profit	3	**178,753**	**(86,157)**	**92,596**	**138,083**	**(88,511)**	**49,572**
Net finance costs	4			(108,548)			(374,747)
Loss before tax				**(15,952)**			**(325,175)**
Tax	5			(14,278)			(21,301)
Loss after tax				**(30,230)**			**(346,476)**
Discontinued operations							
Profit after tax	6			-			226,763
Loss for the period				**(30,230)**			**(119,713)**
Attributable to:							
Equity holders of the parent				**(30,230)**			**(119,713)**

Condensed consolidated statement of comprehensive income

Period ended 30 September 2013

	Note	3 months to 30 September 2013 $'000	3 months to 30 September 2012 $'000	6 months to 30 September 2013 $'000	6 months to 30 September 2012 $'000
Loss for the period		**(16,955)**	**(159,497)**	**(30,230)**	**(119,713)**
Transferred to income statement on cash flow hedges	4	(275)	265	(550)	976
Actuarial gains on continued defined benefit pension schemes		20	-	-	-
Other comprehensive income for the period, net of tax		**(255)**	**265**	**(550)**	**976**
Total comprehensive loss for the period, net of tax		**(17,210)**	**(159,232)**	**(30,780)**	**(118,737)**
Attributable to Equity holders of the parent		**(17,210)**	**(159,232)**	**(30,780)**	**(118,737)**

Condensed consolidated statement of financial position

At 30 September 2013

	Note	30 September 2013 $'000	31 March 2013 $'000
Non-current assets			
Goodwill		1,265,732	1,265,732
Intangible assets		748,511	789,758
Property, plant and equipment	7	422,420	421,392
Interest in joint ventures		27,906	22,158
Deferred tax assets		3,146	2,562
		2,467,715	**2,501,602**
Current assets			
Inventories		49,464	48,002
Trade and other receivables		397,526	383,968
Tax receivables		8,419	12,079
Cash		159,009	106,822
Asset held for sale		463	463
		614,881	**551,334**
Current liabilities			
Derivative financial instruments	10	(14,014)	(40,860)
Trade and other payables		(256,729)	(291,545)
Finance leases		(1,740)	(1,643)
Tax liabilities		(68,887)	(72,203)
Provisions	8	(11,804)	(12,799)
		(353,174)	**(419,050)**
Net current assets		**261,707**	**132,284**
Non-current liabilities			
Finance leases		(6,124)	(6,852)
Senior secured notes	9	(1,057,138)	(951,691)
Other interest bearing loans	9	(986,880)	(954,740)
Provisions	8	(1,871)	(1,770)
Deferred tax		(202,253)	(213,870)
Pension deficit		(23,110)	(22,137)
Shareholder loan	9	-	-
		(2,277,376)	**(2,151,060)**
Total assets less total liabilities		452,046	482,826
Equity attributable to owners of the parent			
Share capital		1	1
Other reserves		(49,980)	(49,430)
Accumulated profit		502,025	532,255
Total equity		452,046	482,826

The financial statements were approved by the directors and authorised for issue on 15 November 2013.

Condensed consolidated cash flow statement

Period ended 30 September 2013

	Note	6 months to 30 September 2013 Total $'000	6 months to 30 September 2012 Total (Restated) $'000
Operating profit from continuing operations		92,596	49,572
Operating profit from discontinued operations	6	-	6,261
Operating profit		**92,596**	**55,833**
Non cash items before movements in working capital	11	81,360	82,369
Operating cash flows before movements in working capital		**173,956**	**138,202**
Changes to inventories		(1,462)	(4,125)
Changes to receivables		(14,635)	(77,807)
Changes to payables		(15,986)	23,610
Changes to provisions and defined benefit contributions		(1,142)	(2,966)
Cash generated by operations		**140,731**	**76,914**
Income taxes paid		(29,982)	(18,897)
Interest paid		(93,822)	(107,484)
Net cash flows from operating activities		**16,927**	**(49,467)**
Investing activities			
Interest received		57	101
Purchase of property, plant and equipment		(72,849)	(70,785)
Proceeds on disposal of property, plant and equipment		910	1,372
Purchase of intangible assets		(5,064)	(4,048)
Net cash inflow on disposal of subsidiary		10,000	570,376
Payment of deferred consideration		-	(87)
Dividend received from joint venture		3,702	5,821
Net cash flows from investing activities		**(63,244)**	**502,750**
Financing activities			
Proceeds from borrowings	9	20,111	136,584
Repayment of borrowings	9	(20,111)	(136,584)
Proceeds from bond		104,500	-
Bond repayment		-	(408,507)
Payment of transaction costs		(4,176)	(1,559)
Repayment of finance leases		(412)	(1,888)
Net cash flows from financing activities		**99,912**	**(411,954)**
Net increase in cash		53,595	41,329
Cash at beginning of period		106,822	44,018
Cash from discontinued operations classified as held for sale at the beginning of the period		-	8,005
Effect of foreign exchange		(1,408)	481
Cash at end of period		**159,009**	**93,833**

Condensed consolidated statement of changes in equity

Period ended 30 September 2013

	Share capital	Share premium	Translation reserve	Hedging reserve	Equity reserve	Accumulated profits	Attributed to equity holders of parent
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 April 2013	1	-	(53,404)	820	3,154	532,255	482,826
Loss during the period	-	-	-	-	-	(30,230)	(30,230)
Comprehensive loss	-	-	-	(550)	-	-	(550)
At 30 September 2013	**1**	**-**	**(53,404)**	**270**	**3,154**	**502,025**	**452,046**

Period ended 30 September 2012

	Share capital	Share premium	Translation reserve	Hedging reserve	Equity reserve	Accumulated deficit	Attributed to equity holders of parent
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 April 2012	200	249,676	(53,404)	408	3,075	(3,437,760)	(3,237,805)
Loss during the period	-	-	-	-	-	(119,713)	(119,713)
Comprehensive income	-	-	-	976	-	-	976
At 30 September 2012	**200**	**249,676**	**(53,404)**	**1,384**	**3,075**	**(3,557,473)**	**(3,356,542)**

Notes to the condensed consolidated financial statements

Period ended 30 September 2013

1. Corporate information

The condensed consolidated financial statements of the Group for the six months ended 30 September 2013 were authorised for issue by the Company's directors on 15 November 2013. The Company is a limited company incorporated in Great Britain and domiciled in England and Wales.

2. Basis of preparation and accounting policies

Basis of preparation

The basis of preparation and accounting policies set out in the annual report and accounts for the year ended 31 March 2013 have been applied in the preparation of these condensed consolidated financial statements as disclosed below. The condensed consolidated financial statements for the six months ended 30 September 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2013.

The figures for the six months ended 30 September 2013 and six months ended 30 September 2012 are unaudited and do not constitute full accounts within the meaning of s.435 of the Companies Act 2006. The financial statements for the year ended 31 March 2013, which have been delivered to the Registrar of Companies and on which the auditors have issued an unqualified audit report, did not contain a statement under s.498(2) or s.498(3) of the Companies Act 2006.

The financial risks are detailed in the business review of the Group's annual financial statements as at 31 March 2013. Having considered these risks and the current economic environment it is expected that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the condensed consolidated financial statements have been prepared on a going concern basis.

Accounting policies

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

The comparatives have been restated in line with a change of accounting policy made in the Group's annual financial statement for the year ended 31 March 2013, as follows:

Change of accounting policy – classification of equity accounted results of joint ventures

The Group has changed its accounting policy for the classification of equity accounted results of joint ventures and associates within its income statement. The new policy is to record equity accounted results of joint ventures and associates within its operating profit whereas under the previous policy these were reported below operating profit. The impact of the change of policy is to increase operating profit in the period to 30 September 2013 by $5.9m and in the period to 30 September 2012 by $5.8m. There is no impact on any of the other lines in either the income statement or other primary statements.

Notes to the condensed consolidated financial statements

Period ended 30 September 2013

3. Adjustments

Adjusted revenue

Adjusted revenue is defined as revenue excluding items that either distort the underlying trends of the business or are not considered by management to be part of the core operations of the Group.

	3 months to 30 September 2013 $'000	3 months to 30 September 2012 $'000	6 months to 30 September 2013 $'000	6 months to 30 September 2012 $'000
Revenue	335,300	299,559	669,078	584,150
Adjustments	-	-	-	-
Adjusted revenue	**335,300**	**299,559**	**669,078**	**584,150**

Adjusted operating profit

Adjusted operating profit is defined as operating profit excluding impairment, depreciation and amortisation and other similar non-cash items, together with other items that either distort the underlying trends of the business or are not considered by management to be part of the core operations of the Group.

	3 months to 30 September 2013 $'000	3 months to 30 September 2012 $'000	6 months to 30 September 2013 $'000	6 months to 30 September 2012 $'000
Operating profit	**46,143**	**28,429**	**92,596**	**49,572**
Amortisation of intangible assets	22,981	21,608	46,408	44,804
Property, plant and equipment depreciation	24,640	22,092	47,534	43,447
Loss on disposal of property, plant and equipment	136	278	5	186
Release of property, plant and equipment impairment provision	-	(830)	-	(921)
Proceeds on disposal of business	-	-	(10,000)	-
Business rationalisation	820	3	1,344	727
Business improvement initiatives	358	259	681	1,061
Other costs	124	(590)	185	(793)
Adjusted operating profit	**95,202**	**71,249**	**178,753**	**138,083**

Business rationalisation

Business rationalisation costs relate mainly to redundancy costs.

Business improvement initiatives

Costs are primarily third party consultancy fees in relation to specific projects focused on facilitating change.

Proceeds of disposal of business

This income in the six months to 30 September 2013 relates to the final purchase consideration received in relation to the sale of the Connectors and Measurements business. This has been classified as other income within administrative expenses.

Notes to the condensed consolidated financial statements

Period ended 30 September 2013

4. Net finance costs

	3 months to 30 September 2013 $'000	3 months to 30 September 2012 $'000	6 months to 30 September 2013 $'000	6 months to 30 September 2012 $'000
Finance income:				
Bank interest receivable	21	52	57	101
Expected return on defined benefit pension assets	2,401	2,508	4,846	5,054
Total finance income	**2,422**	**2,560**	**4,903**	**5,155**
Finance Costs:				
Senior secured notes interest	(22,816)	(21,069)	(43,886)	(48,408)
Revolving credit facility interest	-	(58)	(32)	(483)
Mezzanine loan cash settled interest	(11,712)	(11,057)	(22,983)	(21,836)
Mezzanine loan payment in kind interest	(16,821)	(15,257)	(33,015)	(30,104)
Amortisation of financing costs	(3,895)	(3,224)	(7,127)	(20,992)
Commitment fees	(511)	(561)	(1,052)	(936)
Finance leases	(249)	(269)	(544)	(520)
Shareholder loan interest	-	(131,587)	-	(247,217)
Other interest payable	(144)	(214)	(201)	(819)
Total interest expense	**(56,148)**	**(183,296)**	**(108,840)**	**(371,315)**
Fair value loss on cash flow hedges	(248)	(2,244)	(539)	(2,915)
Transferred to income statement on cash flow hedges	275	(265)	550	(976)
Finance cost on defined benefit pension obligation	(2,217)	(2,238)	(4,423)	(4,509)
Other payable	(116)	(96)	(199)	(187)
Total finance costs	**(58,454)**	**(188,139)**	**(113,451)**	**(379,902)**
Net finance costs	**(56,032)**	**(185,579)**	**(108,548)**	**(374,747)**

5. Tax

	3 months to 30 September 2013 $'000	3 months to 30 September 2012 $'000	6 months to 30 September 2013 $'000	6 months to 30 September 2012 $'000
Current tax:				
Current period	(14,569)	(14,775)	(26,297)	(23,745)
Prior period	1,365	(292)	(291)	(1,968)
	(13,204)	(15,067)	(26,588)	(25,713)
Deferred tax:				
Current period	6,138	5,368	12,310	4,412
	(7,066)	**(9,699)**	**(14,278)**	**(21,301)**

The effective income tax rate in the six months to 30 September 2013 is -89.5% (six months to 30 September 2012: -6.6%). The tax charge has been calculated by categorising income and applying the best estimate of the annual effective income tax rate for each category of income to the pre-tax income arising in that category for the six month period.

Notes to the condensed consolidated financial statements

Period ended 30 September 2013

6. Discontinued operations

On 2 May 2012, the Group sold its C&M business, comprising the Tronic and Matre brands, to Siemens AG for a purchase consideration of $616.2m. As at the year ended 31 March 2013, the Group had received $606.2m and incurred transaction costs of $14.7m, leaving net proceeds at $591.5m. The remaining $10m was received in the three month period to 30 June 2013 and recorded within exceptional income. The C&M business is a market leader in the design, manufacture, assembly and installation of subsea electrical power and data connectors and temperature and pressure sensors.

Results from discontinued operations were as follows:

	3 months to 30 September 2013 $'000	**3 months to 30 September 2012 $'000**	**6 months to 30 September 2013 $'000**	**6 months to 30 September 2012 $'000**
Revenue	-	-	-	12,754
Cost of sales	-	-	-	(6,602)
Administration expenses	-	-	-	109
Operating profit from discontinued operations	**-**	**-**	**-**	**6,261**
Net finance costs	-	-	-	(126)
Tax	-	-	-	105
Trading profit after tax from discontinued operations	**-**	**-**	**-**	**6,240**
Gain on sale of business	-	7,352	-	220,523
Profit after tax from discontinued operations	**-**	**7,352**	**-**	**226,763**

Major classes of assets and liabilities of the C&M business classified as held for sale as at 30 September 2013 were as follows:

	At 30 September 2013 $'000	**At 31 March 2013 $'000**
Assets		
Property, plant and equipment	463	463
Assets classified as held for sale	**463**	**463**
Net assets associated with the disposal group	**463**	**463**

Net cash flows relating to discontinued operations, excluding intercompany transactions, were as follows:

	3 months to 30 September 2013 $'000	**3 months to 30 September 2012 $'000**	**6 months to 30 September 2013 $'000**	**6 months to 30 September 2012 $'000**
Net cash inflow from operating activities	-	-	-	2,354
Net cash outflow from investing activities	-	-	-	(12)
Net cash inflow from financing activities	-	-	-	550
Net cash increase from discontinued operations	**-**	**-**	**-**	**2,892**

6. Discontinued operations (continued)

The gain on disposal is as follows:

Notes to the condensed consolidated financial statements

Period ended 30 September 2013

	As at 30 September 2013 $'000	As at 31 March 2013 $'000	As at 30 September 2012 $'000
Proceeds on disposal, net of transaction costs	601,550	591,550	581,464
Reduction of accrued transaction costs	4,328	4,328	4,328
Net assets on completion	(365,269)	(365,269)	(365,269)
Gain on disposal reported during the year to 31 March 2013	**230,609**	**230,609**	**220,523**
Gain on disposal reported during the year to 30 September 2013	**10,000**	**-**	**-**

The Group received the remaining $10m of proceeds in the three months to 30 June 2013. This was recorded within exceptional costs.

7. Property, plant and equipment

During the six month period to 30 September 2013, the Group acquired plant and equipment with a cost of $49.6m (year ended 31 March 2013: $137.5m) and the movement in the capital expenditure creditor totalled $23.3m (year ended 31 March 2013: $8.6m)

Assets with a net book value of $0.4m were disposed of by the Group during the six months to 30 September 2013 (year ended 31 March 2013: $22.1m).

During the six months to 30 September 2013, the Group's contractual commitments for the acquisition of property, plant and equipment increased by $24.3m from $45.6m to $69.9m.

8. Provisions

	Deferred and contingent consideration $'000	Legal and other provisions $'000	Total $'000
At 1 April 2013	729	13,840	14,569
Payments or amounts utilised	(10)	(2,131)	(2,141)
Released	(7)	-	(7)
Increase including unwinding of discounted consideration	342	906	1,248
Exchange difference	63	(57)	6
At 30 September 2013	**1,117**	**12,558**	**13,675**
Included in current liabilities	488	11,316	11,804
Included in non-current liabilities	629	1,242	1,871
	1,117	**12,558**	**13,675**

Provisions comprise management's best estimate of potential costs in respect of a review of certain issues resulting from the acquisition process, deferred consideration in respect of acquisitions and costs, penalties and fines arising from potential adverse outcome of various legal claims and unfavourable tax assessments in foreign jurisdictions. The likely timing of cash outflows relating to these matters is uncertain.

The Group had no material contingent liabilities as at 30 September 2013.

9. Interest bearing loans

	Effective interest rate %	Maturity date	30 September 2013	31 March 2013

Notes to the condensed consolidated financial statements

Period ended 30 September 2013

			$'000	$'000
Senior secured notes				
Principal	9.91%	15 December 2016	(991,493)	(991,493)
Original issue discount			22,238	25,204
Transaction costs			13,146	14,598
Principal	8.30%	15 December 2016	(100,000)	-
Original issue premium			(4,256)	-
Transaction costs			3,227	-
			(1,057,138)	**(951,691)**
Loans				
Mezzanine	USD LIBOR +10.75%	15 July 2018	(1,007,893)	(974,878)
Revolving credit facility	USD LIBOR +2.75%	21 December 2016	-	-
Principal			(1,007,893)	(974,878)
Transaction costs			21,013	20,138
			(986,880)	**(954,740)**
Total interest bearing loans (excluding shareholder loan)			**(2,044,018)**	**(1,906,431)**

During the six months to 30 September 2013, a series of drawdowns on the Revolving Credit Facility totalling $20.1m were made, these were repaid during the period.

On 6 June 2012, the Group settled $425.0m, inclusive of $16.5m accrued and unpaid interest, of its outstanding 8.5% Senior Notes due 2016. As a result of the repurchase, an additional $8.9m of the discount and $5.3m of the transaction costs were amortised to the income statement in the prior year.

On 15 July 2013, the Group issued senior secured notes with a nominal value of $100m, a coupon of 8.5% and maturity date of 15 December 2016. The notes were issued at an original issue premium of $4.5m, generating proceeds of $104.5m and incurring $3.5m of transaction costs and are being accounted for under the effective interest rate method.

On 15 July 2013, the Group extended the maturity date of its Revolving Credit Facility by two years to 21 December 2016.

10. Derivative financial instruments

The Group's mezzanine term loan is at a floating rate and bears interest fixed for periods of three months, based upon 3 month US Dollar LIBOR. As a result, the Group is exposed to cash flow interest rate risk.

As at 31 December 2012, the Group held interest rate swaps designated as cash flow hedges with a fixed swap rate of 6.27%. Interest payable or receivable under the swap is the difference between the prevailing 3 month US Dollar LIBOR rate and the fixed swap rate. The swaps re-price on a quarterly basis when contractual cash flows fall due.

The Group assessed the hedge effectiveness of its swaps both prospectively and retrospectively at 31 March 2011; the swaps were assessed to be ineffective retrospectively and as a result, hedge accounting ceased from 1 January 2011. The hedging reserve relating to the swaps is being amortised through profit and loss over the remaining life of the instruments. A fair value loss of $0.5m has been recognised in the income statement in the six month period to 30 September 2013 (30 September 2012: $2.9m).

Notes to the condensed consolidated financial statements

Period ended 30 September 2013

11. Non-cash items before movements in working capital

	6 months to 30 September 2013 $'000	6 months to 30 September 2012 (Restated) $'000
Adjustments for:		
Release of PPE impairment provision	(182)	(882)
Amortisation of intangible assets	46,408	44,804
Depreciation of property, plant and equipment	48,249	43,995
(Profit)/Loss on disposal of property, plant and equipment	(529)	186
Retirement benefit credit	-	(123)
Gain on disposal of subsidiary	(10,000)	-
Post tax share of results from joint venture	(5,871)	(5,807)
Unrealised foreign exchange	3,285	196
Non-cash items	**81,360**	**82,369**

12. Related party transactions

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

The current structure of the Group was formed by a consortium comprising funds managed or advised by Arle Capital Partners ("Arle") together with Goldman Sachs Capital Partners ("Goldman Sachs") and AlpInvest Partners N.V. ("AlpInvest").

During the six month period to 30 September 2013, costs of $1.7m (30 September 2012: $0.3m) were charged to the Group by Goldman Sachs, Arle and AlpInvest (the "Investors"), in accordance with the terms of the Consortium Deed between the Company's subsidiary Expro Holdings UK 4 Ltd and the Investors, originally dated 16 April 2008. Costs include fees incurred by the Investor-nominated directors of, and board observers connected to, Expro International Group Holdings Ltd, the Company's principal holding company.

At 30 September 2013, the Group held a 50% stake in a joint venture, COSL – Expro Testing Services (Tianjin) Co. Ltd ("CETS") and a 49% stake in a joint venture, PV Drilling Expro International Company Limited ("PVD"). During the six months to 30 September 2013, dividends of $3.4m and $0.3m had been received from CETS and PVD respectively. As at 30 September 2013, a dividend of $1.4m was receivable from CETS (30 September 2012: nil). There was no dividend receivable due from the PVD as at 30 September 2013 (30 September 2012: nil).

On 22 March 2013, the Group restructured the financing received from its shareholders. As a result of this capital restructuring $4,120.2m of shareholder loans were settled for consideration of an equivalent value ordinary share.

Notes to the condensed consolidated financial statements

Period ended 30 September 2013

Trading transactions

During the six month period to 30 September 2013, the Group entered into transactions with related parties who were not members of the Group:

		Goods and services provided to related party $'000	Goods and services provided by related party $'000	Amounts owed by related party $'000	Amounts owing to related party $'000
Umbrellastream Ltd Partnership Inc	Ultimate parent company	-	-	938	-
Expro International Group Holdings Limited	Company under common control	5	-	2,528	-
Expro Holdings UK 2 Limited	Company under common control	-	-	1	-
CETS	Joint venture	5,651	-	2,867	-
PVD	Joint venture	390	-	-	-
Group directors	Key management personnel	-	-	172	-
At 30 September 2013		**6,046**	**-**	**6,506**	**-**
Umbrellastream Ltd Partnership Inc	Ultimate parent company	-	-	726	-
Expro International Group Holdings Limited	Company under common control	2,164	-	3,204	-
Expro AX-S Technology Limited	Company under common control	-	-	1	-
CETS	Joint venture	432	62	2,180	-
PVD	Joint venture	7,049	37	7,143	-
Group directors	Key management personnel	1,181	-	-	-
		-	-	1,718	-
At 30 September 2012		**10,826**	**99**	**14,972**	**-**

The amounts outstanding as at 30 September 2013 are unsecured and will be settled in cash. No guarantees have been given or received. No bad debt provision has been made for doubtful debts in respect of the amounts owed by related parties.

13. Events after the reporting date

There were no events between the reporting date and the date the financial statements were authorised for issue that require disclosure.

Quarterly summary

Period ended 30 September 2013

	3 months to 30 September 2013 (Unaudited) $'000	3 months to 30 June 2013 (Unaudited) $'000	3 months to 31 March 2013 (Unaudited) $'000	3 months to 31 December 2012 (Unaudited) $'000	3 months to 30 September 2012 (Unaudited) $'000
Adjusted revenue	335,300	333,778	328,318	288,234	299,559
Adjusted operating profit	95,202	83,551	83,920	68,804	71,249
Adjusted operating margin	28.4%	25.0%	25.6%	23.9%	23.2%
Adjustments[9]:					
Impairment of property, plant and equipment	-	-	2,384	-	-
Release of property, plant and equipment impairment provision	-	-	(1,203)	282	830
Amortisation of intangible assets	(22,981)	(23,427)	(20,656)	(21,607)	(21,608)
Property, plant and equipment depreciation	(24,640)	(22,894)	(24,168)	(21,905)	(22,092)
(Loss)/profit on disposal of property, plant and equipment	(136)	131	(551)	(299)	(278)
Gain on sale of business	-	10,000	-	-	-
Business improvement initiatives	(358)	(323)	(210)	(379)	(259)
Business rationalisation	(820)	(524)	(547)	(67)	(3)
Costs in respect of the management incentive plan	-	-	(509)	-	-
Other (costs)/income	(124)	(61)	(1,329)	(154)	590
Share based payment	-	-	(79)	-	-
	(49,059)	(37,098)	(46,868)	(44,129)	(42,820)
Operating profit	46,143	46,453	37,052	24,675	28,429

[9] Details of adjustments are included in note 3.