Company number: 06492082

EXPRO HOLDINGS UK 3 LIMITED

Unaudited Condensed Consolidated
Financial Statements

Quarterly Report

Nine months to 31 December 2012

Contents

Financial summary

Q3 FY 2013 vs. Q2 FY 2013	3 months to 31 December 2012 $'000	3 months to 30 September 2012 $'000	Change
Revenue CCR[1]	288,234	302,773	(4.8%)
Adjusted revenue[2]	288,234	299,559	(3.8%)
Adjusted operating profit[3]	67,520	69,609	(3.0%)
Adjusted operating margin[4]	23.4%	23.2%	0.2pts
Revenue	288,234	299,559	(3.8%)
Operating profit	23,391	26,789	(12.7%)

YTD FY 2013 vs. YTD FY 2012	9 months to 31 December 2012 $'000	9 months to 31 December 2011 (restated)[5] $'000	Change
Revenue CCR[1]	872,384	726,992	20.0%
Adjusted revenue[2]	872,384	743,561	17.3%
Adjusted operating profit[3]	199,797	141,305	41.4%
Adjusted operating margin[4]	22.9%	19.0%	3.9pts
Revenue	872,384	775,453	12.5%
Operating profit	67,157	36,135	85.9%

Q3 FY 2013 vs. Q3 FY 2012	3 months to 31 December 2012 $'000	3 months to 31 December 2011 (restated)[5] $'000	Change
Revenue CCR[1]	288,234	243,985	18.1%
Adjusted revenue[2]	288,234	245,758	17.3%
Adjusted operating profit[3]	67,520	46,675	44.7%
Adjusted operating margin[4]	23.4%	19.0%	4.4pts
Revenue	288,234	245,758	17.3%
Operating profit	23,391	1,056	2115.1%

Financial position, liquidity and capital resources	31 December 2012 $'000	31 March 2012 $'000	Change
Cash	91,172	44,018	47,154
Working capital percentage[6]	16.5%	12.4%	4.1pts
Net debt	1,806,193	2,193,933	(387,740)
LTM leverage	6.5x	8.8x	(2.3x)
Liquidity headroom	180,404	179,855	549

[1] "Revenue CCR" 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; results for the comparative periods have been restated on a constant currency basis 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. Further details of adjustments are set out in note 3.

[2] "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. Further details are set out in note 3.

[3] "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.

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

[5] The December 2011 figures have been restated to reclassify C&M results from continuing to discontinued operations.

[6] "Working capital percentage", "Net debt", "LTM leverage" and "Liquidity headroom" are defined within the business review on page 9.

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 31 December 2012 compared to three months to 30 September 2012;
- Nine months to 31 December 2012 compared to nine months to 31 December 2011;
- Three months to 31 December 2012 compared to three months to 31 December 2011.

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 19 March 2012, the Group agreed to sell its Connectors & Measurements ("C&M") business, comprising the Tronic and Matre brands, to Siemens AG for a purchase consideration of $616.2m. At 31 March 2012 the transaction was conditional upon receipt of approval from competition authorities in Norway and the continuation of warranties. On 2 May 2012, all conditions for completion were met. Transaction costs in relation to the disposal are $15.0m, of which $10.6m have been recorded during the nine month period to 31 December 2012 and $4.4m were recorded in the year to 31 March 2012. The gain on disposal is $235.8m. See note 6, Discontinued Operations.

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.

Equity injection and covenant amendments
To support growth, the Group received an equity injection of $250.0m during the year to 31 March 2012. In addition, the Group increased its revolving credit facility by $60.0m to $160.0m and covenants on both the revolving credit facility and mezzanine loan were amended, resulting in additional headroom. Early settlement provisions were also amended in respect of the mezzanine loan.

Quarterly sequential performance

	3 months to 31 December 2012 $'000	3 months to 30 September 2012 $'000	Change
Revenue CCR[1]	288,234	302,773	(4.8%)
Adjusted revenue[2]	288,234	299,559	(3.8%)
Adjusted operating profit[3]	67,520	69,609	(3.0%)
Adjusted operating margin[4]	23.4%	23.2%	0.2pts
Revenue	288,234	299,559	(3.8%)
Operating profit	23,391	26,789	(12.7%)

Business review

Overall trading performance

Adjusted revenue from continuing operations in the three months to 31 December 2012 of $288.2m was down 4.8%, or $14.6m on a constant currency basis compared to the prior quarter. Seasonal North Sea weather impacted the Europe CIS business, which was partially offset by activities in South and West Africa, predominately in Angola and well test activities in Latin America.

The adjusted operating margin from continuing operations was 0.2pts higher than the prior quarter, reflecting lower administrative costs.

Segmental revenue

	3 months to 31 December 2012 $'000	3 months to 30 September 2012 constant currency $'000	Change constant currency %
Europe CIS	79,842	92,906	(14.1%)
South and West Africa	59,597	55,042	8.3%
Middle East and North Africa	21,927	20,952	4.7%
Asia	21,268	19,697	8.0%
North America Land	18,078	17,378	4.0%
North America Offshore	22,357	25,403	(12.0%)
Latin America	32,573	29,837	9.2%
Expro PTI	24,501	30,623	(20.0%)
Equipment Sales	8,257	10,629	(22.3%)
Eliminations of intra-group sales	(166)	306	n/a
Revenue CCR[1]	**288,234**	**302,773**	**(4.8%)**

Europe CIS
Revenue in the three months to 31 December 2012 of $79.8m was $13.1m lower than the prior quarter, primarily as a result of lower well test activity in Norway, reflecting the typical weather patterns experienced in the Norwegian North Sea, and the completion of an extended well test contract in the UK.

South and West Africa
Revenue in the three months to 31 December 2012 of $59.6m was $4.6m higher than the prior quarter, reflecting the phasing on the design and build of the Block 31 landing string in Angola and increased well test activity in Cameroon and Kenya.

Middle East and North Africa
Revenue in the three months to 31 December of $21.9m was $1.0m higher than the prior quarter, predominately reflecting increased well test and wireline activity in Iraq.

Asia
Revenue in the three months to 31 December 2012 of $21.2m was $1.6m higher than prior quarter, led by increased subsea activity in China and higher activity across most product lines in Indonesia.

North America Land
Revenue in the three months to 31 December 2012 of $18.1m was $0.7m higher than the prior quarter, reflecting increased call out work in Mexico, partially offset by reduced wireline activity in Canada.

North America Offshore
Revenue in the three months to 31 December 2012 of $22.4m was $3.0m lower than the prior quarter, reflecting lower wireline and subsea activity in the Gulf of Mexico, somewhat driven by the timing of customer activity.

Business review

Latin America
Revenue in the three months to 31 December 2012 of $32.6m was $2.8m higher than the prior quarter, reflecting increased well test and subsea activity in Brazil, partially offset by the phasing of wireless well activity in Brazil.

Expro PTI
Revenue in the three months to 31 December 2012 of $24.5m was $6.1m lower than the prior quarter, primarily reflecting the sale of two Early Production Facilities (EPF's) in the prior quarter.

Equipment Sales
Revenue in the three months to 31 December 2012 of $8.3m was $2.4m lower than prior quarter following the buoyant level of burner boom sales in the previous quarter, driven by an increase in rig fleet.

Year to date performance compared to prior year

	9 months to 31 December 2012 $'000	**9 months to 31 December 2011 (restated)[5] $'000**	**Change**
Revenue CCR[1]	872,384	726,992	20.0%
Adjusted revenue[2]	872,384	743,561	17.3%
Adjusted operating profit[2]	199,797	141,305	41.4%
Adjusted operating margin[3]	22.9%	19.0%	3.9pts
Revenue	872,384	775,453	12.5%
Operating profit	67,157	36,135	85.9%

Overall trading performance

Adjusted revenue from continuing operations for the nine months to 31 December 2012 of $872.4m was up 20.0%, or $145.4m on a constant currency basis compared to the same period last year. Revenue was significantly ahead in all businesses with the exception of North America Land.

The adjusted operating margin from continuing operations was 3.9pts higher than the same period last year, reflecting operational leverage effect from the increased activity.

Business review

Segmental revenue

	9 months to 31 December 2012 $'000	9 months to 31 December 2011 constant currency (restated)[5] $'000	Change constant currency %
Europe CIS	252,460	218,081	15.8%
South and West Africa	171,267	152,823	12.1%
Middle East North Africa	60,958	56,459	8.0%
Asia	63,513	47,313	34.2%
North America Land	53,022	59,088	(10.3%)
North America Offshore	70,217	64,755	8.4%
Latin America	92,023	57,716	59.4%
Expro PTI	78,860	47,695	65.3%
Equipment Sales	30,241	20,993	44.1%
Expro Meters	-	3,778	(100%)
Elimination of intra-group sales	(177)	(1,709)	(89.6%)
Revenue CCR[1]	**872,384**	**726,992**	**20.0%**
Sales of AX-S prototype (See note 3, Adjustments)	-	31,892	(100%)
Revenue	**872,384**	**758,884**	**15.0%**

Regional Businesses

Europe CIS
Revenue in the nine months to 31 December of $252.5m was $34.4m higher than the same period last year, reflecting increased subsea activity in Norway, increased well test and subsea activity offshore Israel, increased well test activity in Kazakhstan and extended well test activity in the UK.

South and West Africa
Revenue in the nine months to 31 December 2012 of $171.3m was $18.4m higher than the same period last year. A result of the design and build of two subsea landing strings in Angola, increased subsea and production systems activity in Nigeria and the start of a well testing campaign in Kenya.

Middle East and North Africa
Revenue in the nine months to 31 December 2012 of $61.0m was $4.5m higher than the same period last year, reflecting increased well test activity in Saudi and recommencing activity in Libya. This was partially offset by the conclusion of certain subsea projects in Egypt in the previous year and reduced well test activity in Algeria.

Asia
Revenue in the nine months to 31 December 2012 of $63.5m was $16.2m higher than the same period last year, reflecting increased well test, wireless well and subsea activity in Australia, ongoing subsea development projects in China and increased DST and well test activity in Indonesia.

North America Land
Revenue in the nine months to 31 December 2012 of $53.0m was $6.1m lower than the same period last year, primarily reflecting the impact of lower gas prices in the United States, with the gas rig count reducing by nearly half in the twelve months to 31 December 2012.

North America Offshore
Revenue in the nine months to 31 December 2012 of $70.2m was $5.5m higher than the same period last year, with higher levels of well test activity in the Gulf of Mexico partially offset by reduced well test activity in Trinidad.

Business review

Latin America
Revenue in the nine months to 31 December 2012 of $92.0m was $34.3m higher than the same period last year, as a result of increased well test and subsea activity, as well as the start-up of a new wireline contract in Brazil.

Expro PTI
Revenue in the nine months to 31 December of $78.9m was $31.2m higher than the same period last year, primarily reflecting increased EPF sales.

Equipment Sales
Revenue in the nine months to 31 December 2012 of $30.2m was $9.2m higher than the same period last year, on higher burner boom sales, driven by an increase in rig fleet.

Expro Meters
In prior periods Expro Meters was recorded as a separate business segment but is now reported in the geography in which the sale is made.

Quarterly performance compared to prior year

	3 months to 31 December 2012 $'000	3 months to 31 December 2011 (restated)[5] $'000	Change
Revenue CCR[1]	288,234	243,985	18.1%
Adjusted revenue[2]	288,234	245,758	17.3%
Adjusted operating profit[3]	67,520	46,675	44.7%
Adjusted operating margin[4]	23.4%	19.0%	4.4pts
Revenue	288,234	245,758	17.3%
Operating profit	23,391	1,056	2115.1%

Overall trading performance

Adjusted revenue from continuing operations for the three months to 31 December 2012 of $288.2m was up 18.1%, or $44.2m on a constant currency basis compared to the same period last year. Revenue was ahead in all businesses with the exception of North America. The most notable positive variances were in Europe CIS, South and West Africa, Latin America and Expro PTI.

The adjusted operating margin from continuing operations was 4.4pts higher than the same period last year, reflecting the operational leverage effect of the increased activity.

Business review

Segmental revenue

	3 months to 31 December 2012 $'000	3 months to 31 December 2011 constant currency (restated)[5] $'000	Change constant currency %
Europe CIS	79,842	70,765	12.8%
South and West Africa	59,597	48,946	21.8%
Middle East and North Africa	21,927	20,090	9.1%
Asia	21,268	17,502	21.5%
North America Land	18,078	20,924	(13.6%)
North America Offshore	22,357	24,532	(8.9%)
Latin America	32,573	17,676	84.3%
Expro PTI	24,501	16,314	50.2%
Equipment Sales	8,257	6,451	28.0%
Expro Meters	-	1,484	(100.0%)
Elimination of intra-group sales	(166)	(699)	(76.3%)
Revenue CCR[1]	**288,234**	**243,985**	**18.1%**

Europe CIS
Revenue in the three months to 31 December 2012 of $79.8m was $9.1m higher than the same period last year, reflecting increased subsea and DST activity in Norway, increased well test activity in Kazakhstan and the extended well test activity in the UK.

South and West Africa
Revenue in the three months to 31 December 2012 of $59.6m was $10.7m higher than the same period last year, driven by the design and build of two subsea landing strings in Angola, increased subsea activity in Nigeria and well test activity in Cameroon.

Middle East and North Africa
Revenue in the three months to 31 December 2012 of $21.9m was $1.8m higher than the same period last year, reflecting increased well test activity in Saudi Arabia and metering activity in Iraq and activity in Libya. This was partially offset by lower well test activity in Algeria as a result of a reduction in the number of active rigs within the country.

Asia
Revenue in the three months to 31 December 2012 of $21.3m was $3.8m higher than the same period last year, reflecting increased well test and subsea activity in Australia and increased well test activity in Indonesia, partially offset by lower subsea and well test activity in Malaysia.

North America Land
Revenue in the three months to 31 December 2012 of $18.1m was $2.8m lower than the same period last year, primarily reflecting the impact of lower gas prices in the United States.

North America Offshore
Revenue in the three months to 31 December 2012 of $22.4m was $2.2m lower than the same period last year, predominantly due to lower subsea activity in the Gulf of Mexico.

Latin America
Revenue in the three months to 31 December 2012 of $32.6m was $14.9m higher than the same period last year, reflecting increased well test activity and the start-up of a new wireline contract in Brazil.

Expro PTI
Revenue in the three months to 31 December 2012 of $24.5m was $8.2m higher than the same period last year, primarily reflecting higher production solutions equipment sales and higher production optimisation activity.

Business review

Equipment Sales
Revenue in the three months to 31 December 2012 of $8.3m was $1.8m higher than the same period last year, primarily due to increased burner boom sales, driven by an increasing rig fleet.

Expro Meters
In prior periods Expro Meters was recorded as a separate business segment but is now reported in the geography in which the sale is made.

Foreign exchange rates

Foreign exchange rates at the reporting date

	31 December 2012 $1 equals	31 March 2012 $1 equals	Change %
AUD (Australian Dollar)	0.9639	0.9651	(0.1%)
BRL (Brazilian Real)	2.0435	1.8334	11.5%
EUR (Euro)	0.7565	0.7518	0.6%
GBP (Pound Sterling)	0.6185	0.6287	(1.6%)
NOK (Norwegian Kroner)	5.5835	5.7405	(2.7%)

Average foreign exchange rates

	3 months to 31 December 2012 $1 equals	3 months to 30 September 2012 $1 equals	9 months to 31 December 2012 $1 equals	9 months to 31 December 2011 $1 equals
AUD (Australian Dollar)	0.9608	0.9719	0.9712	0.9528
BRL (Brazilian Real)	2.0542	2.0577	2.0069	1.6563
EUR (Euro)	0.7735	0.8051	0.7828	0.7073
GBP (Pound Sterling)	0.6214	0.6372	0.6290	0.6207
NOK (Norwegian Kroner)	5.7178	5.9746	5.8420	5.5074

Business review

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. During the nine month period to 31 December 2012, this relative measure has increased from 12.4% to 16.5%. Working capital as a percentage of annualised sales ended at 16.5% and was driven by the temporary increase of certain accounts receivable balances which resulted in the indicator being outside the Group's targeted range of 13% to 15%. We do not have any concerns over the recoverability of these receivable balances.

	31 December 2012 $'000	31 March 2012 $'000	Change $'000
Adjusted revenue for the quarter	288,234	270,083	18,151
Annualised adjusted revenue (Adjusted revenue x4)	**1,152,936**	**1,080,332**	**72,604**
Working capital[7]	186,114	98,725	87,389
Add back accrued interest	3,746	35,159	(31,413)
Adjusted working capital	**189,860**	**133,884**	**55,976**
Working capital percentage[8]	**16.5%**	**12.4%**	**4.1pts**

Capital expenditure

	3 months to 31 December 2012 $'000	3 months to 30 September 2012 $'000	Change from prior quarter $'000	9 months to 31 December 2012 $'000	9 months to 31 December 2011 $'000	Change from prior year $'000
Capital expenditure[9]	25,350	31,079	(5,729)	96,136	104,994	(8,858)

During the three months to 31 December 2012 there was higher equipment capitalized on Subsea and Welltest, which was offset by the decrease in the capital expenditure creditor movement of $11.4m.

Capital expenditure in the nine months to 31 December 2012 of $96.1m was $8.9m lower than the same period last year due to the timing of large subsea activities.

Net debt

	31 December 2012 $'000	31 March 2012 $'000	Change $'000
Finance leases	(9,193)	(11,244)	2,051
Senior secured notes	(949,702)	(1,337,800)	388,098
Other interest bearing loans	(938,470)	(888,907)	(49,563)
Less cash	91,172	44,018	47,154
Total net debt excluding shareholder loan	**(1,806,193)**	**(2,193,933)**	**387,740**

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

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

[9] "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

Leverage

During the nine months to 31 December 2012, the Group's net debt decreased to 6.5 times its adjusted operating profit, as set out below.

	31 December 2012 $'000	31 March 2012 $'000	Change $'000
Net debt	1,806,193	2,193,933	(387,740)
Adjusted operating profit from continuing operations over last 12 months	250,165	191,673	58,492
Adjusted operating profit from discontinued operations over last 12 months	26,257	58,567	(32,310)
Total adjusted operating profit over last 12 months	276,422	250,240	26,182
LTM leverage	**6.5x**	**8.8x**	**(2.3x)**

Liquidity

During the nine months to 31 December 2012, the Group's total liquidity headroom increased by $0.5m to $180.4m, as set out below.

	31 December 2012 $'000	31 March 2012 $'000	Change $'000
Cash	91,172	44,018	47,154
Undrawn loan facilities	135,837	135,837	-
Ring-fenced cash	(46,605)	-	(46,605)
Liquidity headroom	**180,404**	**179,855**	**549**

Covenants

The Group has maintenance covenants on its mezzanine loan and revolving credit facility. During the period under review and at 31 December 2012, the Group was in compliance with these covenants, and continues to closely monitor these covenants against its financial projections.

Outlook and risk factors

The Group's performance continues to be encouraging. Revenue in the quarter to 31 December 2012 is 18.1% higher compared to the same quarter in the prior year.

As regards the next six months, the Group remains cautiously optimistic and expects to see a sustained 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.

A key financial risk facing the Group is the level of capital expenditure required to maintain both the existing level of activity and the level of capital expenditure required to grow into its current capital structure. Capital expenditure is subject to covenant requirements and availability of liquidity. To mitigate this risk in the near term, the Group reviews projections for earnings, capital expenditure, liquidity and covenants.

Condensed consolidated income statement

Period ended 31 December 2012

	Note	3 months to 31 December 2012 Adjusted $'000	3 months to 31 December 2012 Adjustments[10] $'000	3 months to 31 December 2012 Total $'000	3 months to 31 December 2011 Adjusted (restated)[5] $'000	3 months to 31 December 2011 Adjustments[10] (restated)[5] $'000	3 months to 31 December 2011 Total (restated)[5] $'000
Continuing operations							
Revenue	3	288,234	-	288,234	245,758	-	245,758
Cost of sales		(211,076)	(42,948)	(254,024)	(189,824)	(42,135)	(231,959)
Gross profit		**77,158**	**(42,948)**	**34,210**	**55,934**	**(42,135)**	**13,799**
Administration expenses		(9,638)	(1,181)	(10,819)	(9,259)	(3,484)	(12,743)
Operating profit	3	**67,520**	**(44,129)**	**23,391**	**46,675**	**(45,619)**	**1,056**
Post tax share of results from joint venture				1,284			2,337
				24,675			**3,393**
Net finance costs	4			(186,060)			(175,617)
Loss before tax				**(161,385)**			**(172,224)**
Tax	5			9,143			(6,341)
Loss after tax				**(152,242)**			**(178,565)**
Discontinued operations							
Profit after tax	6			9,767			10,905
Loss for the period				**(142,475)**			**(167,660)**
Attributable to:							
Equity holders of the parent				**(142,475)**			**(167,660)**

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

Condensed consolidated income statement

Period ended 31 December 2012

	Note	9 months to 31 December 2012 Adjusted $'000	9 months to 31 December 2012 Adjustments[10] $'000	9 months to 31 December 2012 Total $'000	9 months to 31 December 2011 Adjusted (restated)[5] $'000	9 months to 31 December 2011 Adjustments[10] (restated)[5] $'000	9 months to 31 December 2011 Total (restated)[5] $'000
Continuing operations							
Revenue	3	872,384	-	872,384	743,561	31,892	775,453
Cost of sales		(637,617)	(129,264)	(766,881)	(569,751)	(122,527)	(692,278)
Gross profit		**234,767**	**(129,264)**	**105,503**	**173,810**	**(90,635)**	**83,175**
Administration expenses		(34,970)	(3,376)	(38,346)	(32,505)	(14,535)	(47,040)
Operating profit	3	**199,797**	**(132,640)**	**67,157**	**141,305**	**(105,170)**	**36,135**
Post tax share of results from joint venture				7,091			6,035
				74,248			**42,170**
Net finance costs	4			(560,807)			(536,072)
Loss before tax				**(486,559)**			**(493,902)**
Tax	5			(12,158)			(16,520)
Loss after tax				**(498,717)**			**(510,422)**
Discontinued operations							
Profit after tax	6			236,530			30,756
Loss for the period				**(262,187)**			**(479,666)**
Attributable to:							
Equity holders of the parent				**(262,187)**			**(479,666)**

Condensed consolidated statement of comprehensive income

Period ended 31 December 2012

	Note	3 months to 31 December 2012 $'000	3 months to 31 December 2011 $'000	9 months to 31 December 2012 $'000	9 months to 31 December 2011 $'000
Loss for the period		**(142,475)**	**(167,660)**	**(262,187)**	**(479,666)**
Transferred to income statement on cash flow hedges	4	(275)	1,229	701	6,067
Other comprehensive (loss)/income for the period, net of tax		**(275)**	**1,229**	**701**	**6,067**
Total comprehensive loss for the period, net of tax		**(142,750)**	**(166,431)**	**(261,486)**	**(473,599)**
Attributable to Equity holders of the parent		(142,750)	(166,431)	(261,486)	(473,599)

Condensed consolidated statement of financial position

At 31 December 2012

	Note	31 December 2012 $'000	31 March 2012 $'000
Non-current assets			
Goodwill		1,265,732	1,265,732
Intangible assets		810,234	868,298
Property, plant and equipment	7	388,401	375,557
Interest in joint venture		21,816	23,523
Deferred tax assets		14,505	13,413
		2,500,688	**2,546,523**
Current assets			
Inventories		46,975	41,628
Trade and other receivables		360,242	314,416
Tax receivables		11,608	9,945
Cash		91,172	44,018
Asset held for sale		463	447,387
		510,460	**857,394**
Current liabilities			
Derivative financial instruments	10	(53,223)	(49,555)
Trade and other payables		(221,097)	(257,319)
Finance leases		(1,698)	(2,667)
Tax liabilities		(72,860)	(67,737)
Provisions	8	(11,689)	(11,041)
Liabilities held for sale		-	(86,758)
		(360,567)	(475,077)
Net current assets		**149,893**	**382,317**
Non-current liabilities			
Finance leases		(7,495)	(8,577)
Derivative financial instruments	10	-	(38,072)
Senior secured notes	9	(949,702)	(1,337,800)
Other interest bearing loans	9	(938,470)	(888,907)
Provisions	8	(2,064)	(2,980)
Deferred tax		(234,842)	(250,185)
Pension deficit		(15,082)	(18,691)
Shareholder loan	9	(4,002,232)	(3,621,433)
		(6,149,887)	**(6,166,645)**
Total assets less total liabilities		(3,499,306)	(3,237,805)
Total assets less total liabilities excluding shareholder loan[11]		**502,926**	**383,628**
Equity attributable to owners of the parent			
Share capital		200	200
Share premium		249,676	249,676
Other reserves		(49,235)	(49,921)
Accumulated deficit		(3,699,947)	(3,437,760)
Total equity		(3,499,306)	(3,237,805)
Total equity and shareholder loan[11]		**502,926**	**383,628**

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

[11] Non-statutory measure in line with management's view of the capital structure of the Group to aid the users of the financial statements.

Condensed consolidated cash flow statement

Period ended 31 December 2012

	Note	9 months to 31 December 2012 Total $'000	9 months to 31 December 2011 Total $'000
Operating profit from continuing operations		67,157	36,135
Operating profit from discontinued operations	6	6,261	22,964
Operating profit		**73,418**	**59,099**
Non cash items before movements in working capital	11	131,622	143,365
Operating cash flows before movements in working capital		**205,040**	**202,464**
Increase in inventories		(6,108)	(17,569)
Decrease in receivables		(58,890)	(49,169)
Increase/(decrease) in payables		25,098	(9,302)
(Decrease)/increase in provisions and defined benefit contributions		(3,284)	903
Cash generated by operations		**161,856**	**127,327**
Income taxes paid		(25,100)	(29,749)
Interest paid		(174,922)	(188,443)
Net cash used in operating activities		**(38,166)**	**(90,865)**
Investing activities			
Interest received		151	97
Purchase of property, plant and equipment		(96,136)	(104,994)
Proceeds on disposal of property, plant and equipment		2,696	45
Purchase of intangible assets		(6,717)	(3,392)
Net cash inflow on disposal of subsidiary		580,142	-
Acquisition of business		-	(30,000)
Payment of deferred consideration		(246)	(23)
Dividend received from joint venture		9,395	4,098
Net cash from/(used in) investing activities		**489,285**	**(134,169)**
Financing activities			
Issue of share capital		-	250,000
Proceeds from borrowings	9	149,403	75,837
Repayment of borrowings	9	(149,403)	(75,837)
Repayment of senior secured notes		(408,507)	-
Payment of transaction costs		(1,518)	(6,335)
Repayment of finance leases		(2,325)	(2,860)
Net cash (used in)/from financing activities		**(412,350)**	**240,805**
Net increase in cash		38,769	15,771
Cash at beginning of period		44,018	66,525
Cash from discontinued operations classified as held for sale at the beginning of the period		8,005	-
Effect of foreign exchange		380	(2,280)
Cash at end of period		**91,172**	**80,016**

Condensed consolidated statement of changes in equity

Period ended 31 December 2012

	Share capital $'000	Share premium $'000	Translation reserve $'000	Hedging reserve $'000	Equity reserve $'000	Accumulated deficit $'000	Attributed to equity holders of parent $'000
At 1 April 2012	200	249,676	(53,404)	408	3,075	(3,437,760)	(3,237,805)
Comprehensive income/(loss)	-	-	-	701	-	(262,187)	(261,486)
Discontinued cash flow hedges transferred to income statement	-	-	-	(15)	-	-	(15)
At 31 December 2012	**200**	**249,676**	**(53,404)**	**1,094**	**3,075**	**(3,699,947)**	**(3,499,306)**

Period ended 31 December 2011

	Share capital $'000	Share premium $'000	Translation reserve $'000	Hedging reserve $'000	Equity reserve $'000	Accumulated deficit $'000	Attributed to equity holders of parent $'000
At 1 April 2011	200	-	(53,404)	(6,625)	4,710	(1,941,814)	(1,996,933)
Comprehensive income/(loss)	-	-	-	6,067	-	(479,666)	(473,599)
Share issue	-	249,676	-	-	-	-	249,676
At 31 December 2011	**200**	**249,676**	**(53,404)**	**(558)**	**4,710**	**(2,421,480)**	**(2,220,856)**

Notes to the condensed consolidated financial statements

Period ended 31 December 2012

1. Corporate information

The condensed consolidated financial statements of the Group for the nine months ended 31 December 2012 were authorised for issue by the Company's directors on 15 February 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 2012 have been applied in the preparation of these condensed consolidated financial statements as disclosed below. The condensed consolidated financial statements for the nine months ended 31 December 2012 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 2012.

The figures for the nine months ended 31 December 2012 and nine months ended 31 December 2011 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 2012, 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 2012. 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.

Prior year restatement

The comparative in the consolidated income statement has been restated to reclassify C&M results from continuing to discontinued operations (note 6).

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 2012.

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 31 December 2012 $'000	3 months to 31 December 2011 (restated)[5] $'000	9 months to 31 December 2012 $'000	9 months to 31 December 2011 (restated)[5] $'000
Revenue	288,234	245,758	872,384	775,453
AX-S	-	-	-	(31,892)
Adjusted revenue	**288,234**	**245,758**	**872,384**	**743,561**

AX-S

During the year to 31 March 2011, the Group sold the AX-S prototype to Expro AX-S Technology Limited, a company under common control, for $23.7m. The sale agreement included an earn-out conditional on future events that was pre-paid to the Group for $31.9m at 31 March 2011. The earn-out was recognised in revenue during the three months to 30 June 2011, reflecting the achievement of the earn-out conditions.

Notes to the condensed consolidated financial statements

Period ended 31 December 2012

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 31 December 2012 $'000	3 months to 31 December 2011 (restated)[5] $'000	9 months to 31 December 2012 $'000	9 months to 31 December 2011 (restated)[5] $'000
Operating profit	**23,391**	**1,056**	**67,157**	**36,135**
Amortisation of intangible assets	21,607	21,552	66,411	65,934
Property, plant and equipment depreciation	21,905	21,073	65,352	58,208
Loss on disposal of property, plant and equipment	299	230	485	566
Release of property, plant and equipment impairment provision	(282)	-	(1,203)	-
AX-S	-	-	-	(31,892)
Business rationalisation	67	1,492	794	3,128
Business improvement initiatives	379	731	1,440	4,424
Other costs	154	541	(639)	4,802
Adjusted operating profit	**67,520**	**46,675**	**199,797**	**141,305**

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.

Other costs

The income during the nine months to 31 December 2012 relates to a bad debt provision release and a release of an onerous lease provision. The costs in the prior year relate to a provision in connection with the adverse outcome of claims in relation to the acquisition of Expro International Group PLC.

Notes to the condensed consolidated financial statements

Period ended 31 December 2012

4. Net finance costs

	3 months to 31 December 2012 $'000	3 months to 31 December 2011 (restated)[5] $'000	9 months to 31 December 2012 $'000	9 months to 31 December 2011 (restated)[5] $'000
Finance income:				
Bank interest receivable	50	13	151	94
Expected return on defined benefit pension assets	2,572	2,700	7,626	8,283
Total finance income	**2,622**	**2,713**	**7,777**	**8,377**
Finance Costs:				
Senior secured notes interest	(21,069)	(29,750)	(69,477)	(89,250)
Revolving credit facility interest	(15)	-	(498)	(461)
Mezzanine loan cash settled interest	(11,367)	(10,322)	(33,203)	(30,177)
Mezzanine loan payment in kind interest	(16,018)	(14,688)	(46,122)	(43,196)
Amortisation of financing costs	(3,183)	(4,012)	(24,175)	(10,445)
Commitment fees	(548)	(454)	(1,484)	(1,198)
Finance leases	(293)	(241)	(813)	(766)
Shareholder loan interest	(133,582)	(117,221)	(380,799)	(334,273)
Other interest payable	(265)	(1)	(1,084)	(28)
Total interest expense	**(186,340)**	**(176,689)**	**(557,655)**	**(509,794)**
Fair value loss on cash flow hedges	(117)	1,904	(3,032)	(18,749)
Transferred to income statement on cash flow hedges	275	(1,229)	(701)	(6,067)
Finance cost on defined benefit pension obligation	(2,294)	(2,236)	(6,803)	(6,853)
Unwinding of discounted contingent consideration	-	-	-	(2,664)
Other payable	(206)	(80)	(393)	(322)
Total finance costs	**(188,682)**	**(178,330)**	**(568,584)**	**(544,449)**
Net finance costs	**(186,060)**	**(175,617)**	**(560,807)**	**(536,072)**

5. Tax

	3 months to 31 December 2012 $'000	3 months to 31 December 2011 (restated)[5] $'000	9 months to 31 December 2012 $'000	9 months to 31 December 2011 (restated)[5] $'000
Current tax:				
Current period	(4,596)	(12,315)	(28,303)	(30,216)
Prior period	1,249	-	(735)	4
	(3,347)	(12,315)	(29,038)	(30,212)
Deferred tax:				
Current period	12,490	5,974	16,880	13,692
	9,143	**(6,341)**	**(12,158)**	**(16,520)**

The effective income tax rate in the nine months to 31 December 2012 is -2.5% (nine months to 31 December 2011: -3.3%). 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 nine month period.

Notes to the condensed consolidated financial statements

Period ended 31 December 2012

6. Discontinued operations

On 19 March 2012, the Group agreed to sell its C&M business, comprising the Tronic and Matre brands, to Siemens AG for a purchase consideration of $616.2m. On 2 May 2012, all conditions for completion were met.

Results from discontinued operations were as follows:

	3 months to 31 December 2012 $'000	3 months to 31 December 2011 (restated)[5] $'000	9 months to 31 December 2012 $'000	9 months to 31 December 2011 (restated)[5] $'000
Revenue	-	32,122	12,754	90,351
Cost of sales	-	(23,730)	(6,602)	(67,231)
Administration expenses	-	(62)	109	(156)
Operating profit from discontinued operations	**-**	**8,330**	**6,261**	**22,964**
Net finance costs	-	(379)	(126)	(1,161)
Tax	-	2,954	105	8,953
Trading profit after tax from discontinued operations	**-**	**10,905**	**6,240**	**30,756**
Gain on sale of business	9,767	-	230,290	-
Profit after tax from discontinued operations	**9,767**	**10,905**	**236,530**	**30,756**

Pro forma income statement (excluding the C&M business):

	Note	3 months to 31 December 2012 $'000	3 months to 31 December 2011 (restated)[5] $'000	9 months to 31 December 2012 $'000	9 months to 31 December 2011 (restated)[5] $'000
Continuing operations					
Revenue	3	288,234	245,758	872,384	775,453
Cost of sales		(254,024)	(231,959)	(766,881)	(692,278)
Gross profit		**34,210**	**13,799**	**105,503**	**83,175**
Administration expenses		(10,819)	(12,743)	(38,346)	(47,040)
Operating profit	3	**23,391**	**1,056**	**67,157**	**36,135**
Post tax share of results from joint venture		1,284	2,337	7,091	6,035
		24,675	**3,393**	**74,248**	**42,170**
Net finance costs	4	(186,060)	(175,617)	(560,807)	(536,072)
Loss before tax		**(161,385)**	**(172,224)**	**(486,559)**	**(493,902)**
Tax	5	9,143	(6,341)	(12,158)	(16,520)
Loss for the period		**(152,242)**	**(178,565)**	**(498,717)**	**(510,422)**
Attributable to:					
Equity holders of the parent		**(152,242)**	**(178,565)**	**(498,717)**	**(510,422)**

Notes to the condensed consolidated financial statements

Period ended 31 December 2012

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

	3 months to 31 December 2012 $'000	3 months to 31 December 2011 (restated)[5] $'000	9 months to 31 December 2012 $'000	9 months to 31 December 2011 (restated)[5] $'000
Net cash inflow from operating activities	-	10,218	2,354	27,333
Net cash outflow from investing activities	-	(579)	(12)	(119)
Net cash inflow/(outflow) from financing activities	-	14,434	550	(1,992)
Net cash increase from discontinued operations	**-**	**24,073**	**2,892**	**25,222**

The gain on disposal is as follows:

	$'000
Proceeds on disposal, net of transaction costs	601,100
Net assets on completion	(365,269)
Gain on disposal	**235,831**

The proceeds on disposal of $601.1m are net of transaction costs of $15.0m, of which $4.4m were recorded in the year ended 31 March 2012. At the date of authorisation of the accounts $10.0m was held in escrow.

7. Property, plant and equipment

During the nine month period to 31 December 2012, the Group acquired plant and equipment with a cost of $80.2m (year ended 31 March 2012: $155.1m) and the movement in the capital expenditure creditor totalled $15.9m (year ended 31 March 2012: $10.6m)

Assets with a net book value of $3.2m were disposed of by the Group during the nine months to 31 December 2012 (year ended 31 March 2012: $1.4m).

Assets with a net book value of $28.6m were disposed of as part of the Group's sale of its Connectors and Measurements business.

During the nine months to 31 December 2012, the Group's contractual commitments for the acquisition of property, plant and equipment decreased by $6.3m from $56.3m to $50.0m.

8. Provisions

	Deferred and contingent consideration $'000	Legal and other provisions $'000	Total $'000
At 1 April 2012	1,346	12,675	14,021
Payments or amounts utilised	(92)	(1,764)	(1,856)
Released	(648)	(2,761)	(3,409)
Increase including unwinding of discounted consideration	61	4,956	5,017
Exchange difference	1	(21)	(20)
At 31 December 2012	**668**	**13,085**	**13,753**
Included in current liabilities	161	11,528	11,689
Included in non-current liabilities	507	1,557	2,064
	668	**13,085**	**13,753**

Notes to the condensed consolidated financial statements

Period ended 31 December 2012

Legal and other provisions comprise management's best estimate of potential costs, penalties and fines in respect of the review of certain issues resulting from the acquisition process, and arising from the potential adverse outcome of various legal claims and unfavourable tax assessments in foreign jurisdictions.

Except for the items disclosed above, the Group had no material contingent liabilities as at 31 December 2012.

9. Interest bearing loans

	Effective interest rate %	Maturity date	31 December 2012 $'000	31 March 2012 $'000
Senior secured notes				
Principal	9.91%	15 December 2016	(991,493)	(1,400,000)
Original issue discount			26,486	39,426
Transaction costs			15,305	22,774
			(949,702)	**(1,337,800)**
Loans				
Mezzanine	USD LIBOR +10.75%	15 July 2018	(959,801)	(913,680)
Revolving credit facility	USD LIBOR +3%	21 December 2014	-	-
Principal			(959,801)	(913,680)
Transaction costs			21,331	24,773
			(938,470)	**(888,907)**
Total interest bearing loans (excluding shareholder loan)			**(1,888,172)**	**(2,226,707)**
Shareholder loan	14%	15 July 2019	(3,950,201)	(3,577,494)
	25%	15 July 2019	(52,031)	(43,939)
			(4,002,232)	**(3,621,433)**
Total interest bearing loans (including shareholder loan)			**(5,890,404)**	**(5,848,140)**

During the nine months to 31 December 2012, a series of drawdowns on the Revolving Credit Facility totalling $149.4m were made. The balance was fully repaid by 31 December 2012.

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 three months to 30 June 2012.

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 $3m has been recognised in the income statement in the nine month period to 31 December 2012.

Notes to the condensed consolidated financial statements

Period ended 31 December 2012

11. Non-cash items before movements in working capital

	9 months to 31 December 2012 $'000	9 months to 31 December 2011 $'000
Adjustments for:		
Release of PPE impairment provision	(1,170)	-
Amortisation of intangible assets	66,412	79,330
Depreciation of property, plant and equipment	65,900	61,220
Loss on disposal of property, plant and equipment	485	625
Impairment of asset held for sale	-	(537)
Retirement benefit credit	(112)	(305)
Discontinued cash flow hedges transferred to income statement	(15)	-
Unrealised foreign exchange	122	3,032
Non-cash items	**131,622**	**143,365**

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 nine month period to 31 December 2012, costs of $0.5m (31 December 2011: $0.6m) were charged to the Group by Goldman Sachs, Arle and AlpInvest Partners N.V. (the "Investors"), in accordance with the terms of the Consortium Deed between the Company's subsidiary Expro Holdings UK 4 Ltd and the Investors, dated 6 November 2008. Costs include directors' 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 31 December 2012, 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 Production Testers International Company Limited ("PVD-PTI"). During the nine months to 31 December 2012, dividends of $8.3m and $1.1m had been received from CETS and PVD-PTI respectively. As at 31 December 2012 there were dividend receivable amounts of $3.9m and $0.2m due from CETS and PVD-PTI respectively (31 December 2011: $nil and $0.03m respectively).

At 31 December 2012, the Group owed $4,002.2m (31 December 2011: $3,505.8m) to the immediate parent company, Expro Holdings UK 2 Ltd, of which $380.8m of interest has been expensed during the nine month period to 31 December 2012 (period to 31 December 2011: $334.3m).

Notes to the condensed consolidated financial statements

Period ended 31 December 2012

Trading transactions

During the nine month period to 31 December 2012, 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	-	-	2,202	-
Expro International Group Holdings Limited	Company under common control	2,390	-	3,460	-
Expro Holdings UK 2 Limited	Company under common control	-	-	1	-
Expro AX-S Technology Limited	Company under common control	325	62	1,757	-
CETS	Joint venture	11,158	37	10,125	-
PVD-PTI	Joint venture	1,665	-	-	-
Group directors	Key management personnel	-	-	1,718	-
At 31 December 2012		**15,538**	**99**	**19,263**	**-**
Umbrellastream Ltd Partnership Inc	Ultimate parent company	-	-	242	-
Expro International Group Holdings Limited	Company under common control	271	65	263	-
Expro AX-S Technology Limited	Company under common control	1,475	758	3,162	-
CETS	Joint venture	5,665	89	5,665	-
PVD-PTI	Joint venture	1,484	-	-	-
Group directors	Key management personnel	-	-	1,477	-
At 31 December 2011		**8,895**	**912**	**10,809**	**-**

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. $1.5m bad debt provisions have 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 31 December 2012

	3 months to 31 December 2012 (Unaudited) $'000	3 months to 30 September 2012 (Unaudited) $'000	3 months to 30 June 2012 (Unaudited) $'000	3 months to 31 March 2011 (Unaudited) $'000	3 months to 31 December 2011 (Unaudited) $'000
Adjusted revenue	288,234	299,559	284,591	270,083	245,758
Adjusted operating profit	67,520	69,609	62,667	50,369	46,675
Adjusted operating margin	23.4%	23.2%	22.0%	18.6%	19.0%
Adjustments[12]:					
Impairment of goodwill	-	-	-	(854,069)	-
Release of property, plant and equipment impairment provision	282	830	91	-	-
Amortisation of intangible assets	(21,607)	(21,608)	(23,196)	(21,621)	(21,552)
Property, plant and equipment depreciation	(21,905)	(22,092)	(21,355)	(15,689)	(21,073)
(Loss)/Profit on disposal of property, plant and equipment	(299)	(278)	92	(554)	(230)
Business improvement initiatives	(379)	(259)	(802)	(2,148)	(731)
Business rationalisation	(67)	(3)	(724)	(1,208)	(1,492)
Pension curtailment gain	-	-	-	6,552	-
Costs in respect of the management incentive plan	-	-	-	(572)	-
Other costs/(income)	(154)	590	203	488	(541)
Share based payment	-	-	-	1,636	-
	(44,129)	(42,820)	(45,691)	(887,185)	(45,619)
Operating profit/(loss)	23,391	26,789	16,976	(836,816)	1,056

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