Why do you report adjusted measures?

We use adjusted operating profit because it is akin to EBITDA and this is a measure which we believe is helpful to our shareholders and other stakeholders and it is a key measure for covenant purposes. We exclude certain one-off costs which either distort the underlying trends of the business or are not considered by management to be part of the core operations of the Group. The main exclusions are the investments in our AX-S and Meters businesses, and these have been excluded because these businesses are in their development phase and have been separately funded by our shareholders. Full details are set out in note 3 to our financial statements.

Can you explain why your 9 month income statement includes only 6 months in the comparative period?

Expro Holdings UK 3 Limited was formed in February 2008 and acquired Expro International Group PLC ("EIG PLC") on 1 July 2008 and hence there is only 6 months of post acquisition trading. In order to compare the nine months to 31 December 2009 with the nine months to 31 December 2008, an aggregation of financial information has been prepared which incorporates the results for the period 1 April 2008 to 30 June 2008. Full details are set out in our financial statements.

What happened to your original interest rate swap?

With effect from 1 January 2010 the Group restructured its hedging arrangements with the objective of mitigating 90% of the cash flow interest rate risk on the Group's mezzanine loan until 31 December 2013. The new interest rate swaps are at a fixed rate of 6.27%, have an initial nominal value of $719.8m, and a fair value at inception representing a liability to the Group of $129.4m. These new swaps had a liability on inception because the closing mark-to-mark position on the original interest rate swaps was reflected into the terms of the new swaps.

Why have operating margins decreased over the 9 month period while adjusted operating margins have improved?

Adjusted operating margin has improved through a programme of targeted cost reductions; however this has been offset by increased investment in our AX-S and Meters businesses. This resulted in an overall decline in operating margin from 12.9% to 8.1 %.

At what level have the mezzanine covenants been set at?

Please refer to the mezzanine covenants as published on our website.

Please explain the impact AX-S has on the EHUK3 Limited group and why it is excluded?

The AX-S prototype is owned by Expro North Sea Limited (ENS) which is part of EHUK3 Limited group. The intellectual property in AX-S is owned by Expro AX-S Technology Limited (AXSL) an affiliate of EHUK3, but which is not part of the EHUK3 Limited group. AXSL has been contracted by ENS to provide various engineering, development and marketing services in relation to the AX-S prototype. The first AX-S string will either be operated by ENS or by AXSL on its behalf or sold by ENS to AXSL. AXSL has the right to build and market future AX-S intervention strings. The prototype field trial is scheduled for late summer / early autumn 2010.

The banking documents entered into by the wider Expro group require that transactions such as the arrangements described above between ENS and AXSL are on an arms length basis.

The commercial model, the financial commitments required and the financial risks relating to AX-S will be unlike anything the wider Expro group currently undertakes. The commercial exploitation of AX-S in the medium term is dependent on securing an appropriate vessel from which to operate the system. It is likely that a long term vessel charter (3yrs +) will need to be agreed in order to secure both availability and an attractive day rate. Typically, rates for suitable vessels on long term charters are in excess of $100,000 per day. A material multi-million dollar commitment will therefore be required to support the commercialization of future AX-S systems. It is currently expected that the capex to build second and subsequent AX-S systems will be in the region of c$60m per system. This dwarfs the capex spend of the rest of Expro. In addition to this there will be the requirement to fund further variants of the base system. Expro and the sponsors consider that the material financial commitment associated with the commercial exploitation of AX-S and the different risk profile of AX-S should be dealt with separately from the existing debt structure and risk profile of the wider Expro Group.