HUNTING PLC
HALF YEAR REPORT 2012

Contents

Half Year Management Report

Hunting PLC ("the Group"), the international energy services company, announces its results for the six months ended 30 June 2012.

Introduction

The first six months of 2012 have seen good trading across the majority of business units within the enlarged Group, with Hunting's core activities reporting a strong result and a satisfactory performance from the new businesses acquired in 2011.

Trading has been supported by a number of factors, including sustained drilling levels in North America, a supportive oil price, with WTI averaging US$99 for the first half of the year; and renewed drilling activity in the Gulf of Mexico, with a strong year on year increase in the number of active rigs operating in the region. These factors combined have led to a healthy demand for Hunting's broad product offering.

Investment in the Group's manufacturing facilities has continued throughout the year, with the expansion and consolidation of Hunting's Scottish facilities completing in Q1 2012 and manufacturing now focused at the Badentoy and Fordoun facilities. In Houma, Louisiana, our new facility to service the Gulf of Mexico and the expansion project to increase capacity at Stafford, Texas, are both nearing completion. In June 2012, the Board approved capital expenditure for the Group's Wuxi, China facility, which will enable a number of Hunting Titan's product lines to be manufactured in the region. The project is scheduled to complete in Q4 2012.

In April 2012, the Group completed the sale of Field Aviation, resulting in a gain on disposal of £1.5m. Further details can be found in note 10.

Following the sale of Field Aviation, the Group is now a more focused oil and gas products and services company, with a manufacturing, sales and distribution footprint of 2.7m square feet across 62 locations in 9 countries.

Financial Summary

The summary results for the Group from continuing operations are presented below:

	H1 2012 £m	***Margin***	H1 2011 £m	*Margin*	***Change***
Revenue	**406.9**		251.3		***+62%***
EBITDA (note 4)	**78.4**	***19%***	35.5	*14%*	***+121%***
Depreciation	**(13.0)**		(9.7)		
Profit from operations before amortisation and exceptional items	**65.4**	***16%***	25.8	*10%*	***+153%***
Amortisation and exceptional items (note 3)	**(24.4)**		(3.7)		
Profit from continuing operations	**41.0**		22.1		***+86%***
Diluted EPS – reported	**18.5p**		10.5p		***+76%***
Diluted EPS – before amortisation and exceptional items	**28.6p**		12.5p		***+129%***
Basic EPS – reported	**19.0p**		10.7p		***+78%***
Basic EPS – before amortisation and exceptional items	**29.3p**		12.8p		***+129%***

Revenue

Revenue from continuing operations for the six months ended 30 June 2012 increased to £406.9m (2011 – £251.3m) due to steady activity levels and contribution from the four acquisitions completed in H2 2011.

EBITDA and Profit before Tax

EBITDA before amortisation and exceptional items was £78.4m, reflecting a 121% increase over the comparative period (2011 – £35.5m). EBITDA margin improved to 19% from 14% in 2011. EBITDA includes a £0.4m charge in respect of acquisition costs incurred in H1 2012.

Profit before tax, amortisation and exceptional items from continuing operations was £62.0m (2011 – £25.8m) and reported profit before tax from continuing operations was £37.6m (2011 – £22.1m). Net finance expense was £3.8m (2011 – £0.4m).

Taxation

The tax charge on continuing operations and before amortisation and exceptional items was £17.9m (2011 – £7.8m) and reflects an effective tax rate of 29% (30 June 2011 – 30%; 31 December 2011 – 28%). The rate has increased by 1% from the previous year, reflecting the underlying changes in the profit mix across our countries of operation. The exceptional charge in the period attracts a tax credit of £9.4m (2011 – £1.0m), to give a net tax charge on continuing operations of £8.5m (2011 – £6.8m).

Amortisation and Exceptional Items

The charge for intangible asset amortisation increased to £14.4m from £2.8m in 2011 as a result of the 2011 acquisitions.

The following exceptional items arose in the first half of 2012:

- Fair value uplift to inventories charge – £6.1m
- Retention bonuses for key employees of acquired businesses – £1.2m
- Impairment of oil and gas reserves – £2.7m

The post tax gain on sale of Field Aviation was £1.5m, which has been recognised as a discontinued operation exceptional gain.

Exchange Rates

Average exchange rates used to translate US dollar and Canadian dollar denominated results into UK sterling were US$1.58 (2011 – US$1.62) and Can$1.59 (2011 – Can$1.58).

Capital Expenditure

Capital expenditure increased to £37.2m during the period (2011 – £21.8m) of which £12.2m (2011 – £4.7m) was replacement expenditure and £25.0m (2011 – £17.1m)

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was new business expenditure. The main components within new business expenditure include £3.1m on new drilling tools and £10.9m on facility expansion programmes across the Group. Replacement expenditure includes £2.8m (2011 – £1.4m) capital expenditure by our Exploration and Production unit.

Balance Sheet
Net assets report a small increase from the 2011 year end at £742.6m (31 December 2011 – £732.0m). The net movement comprises the £30.4m retained profit for the period, offset by £16.1m of dividends declared, together with foreign exchange losses and other items of £3.7m.

Cash Flow
Net debt at 30 June 2012 was £191.4m (30 June 2011 – £297.1m net cash) compared to net debt at 31 December 2011 of £218.4m, reflecting a net cash inflow of £27.0m in the first half of 2012. The improved operating EBITDA of £78.4m (2011 – £35.5m), benefiting from the 2011 acquisition programme, is a key component of this net inflow. Working capital movements were broadly neutral.

The principal cash outflows in the period included net finance charges of £3.3m (2011 – £0.3m), capital expenditure of £37.2m (2011 – £21.8m) and taxation payments of £13.3m (2011 – £6.4m).

Proceeds from the sale of Field Aviation were £3.1m, offset by £2.2m of deferred consideration payments arising on the 2011 acquisitions.

Dividend
The Board is paying an interim dividend of 4.5p per share, which represents a 13% increase over the 4.0p per share interim dividend paid in 2011. Dividend cover from continuing operations after amortisation and exceptional items is 4.2 times (30 June 2011 – 2.7 times). This interim dividend will be paid on 16 November 2012 to shareholders on the register at the close of business on 26 October 2012, with an ex-dividend date of 24 October 2012.

Operational Review
Hunting's segmental results are presented below:

Profit from continuing operations*

	H1 2012 £m	H2 2011 £m	Restated H1 2011 £m	FY 2011 £m
Hunting Energy Services				
Well Construction	**21.8**	19.3	9.2	28.5
Well Completion	**38.5**	29.9	11.3	41.2
Well Intervention	**3.9**	3.8	4.1	7.9
Exploration and Production	**0.1**	0.2	1.5	1.7
	64.3	53.2	26.1	79.3
Gibson Shipbrokers	**1.1**	2.0	(0.3)	1.7
Profit from operations before amortisation and exceptional items	**65.4**	55.2	25.8	81.0
Amortisation and exceptional items	**(24.4)**	(36.3)	(3.7)	(40.0)
Profit from continuing operations	**41.0**	18.9	22.1	41.0

*The results for H1 2011 have been restated to show profit from operations before amortisation and exceptional items.

Well Construction
The Drilling Tools platform has seen strong trading in H1 2012, driven by a robust rig count in North America within the various shale areas. Hunting remains a key supplier of mud motors in the region, strengthened in the period through the addition of three new strategically located facilities in Casper, Conroe and Latrobe, coupled with the purchase of additional motors to satisfy customer demand.

Hunting's Premium Connections business has also seen a strong first half performance, with demand for products for the oil-focused EagleFord and Bakken shale plays driving activity levels, together with increased momentum in the Gulf of Mexico and the buoyant global offshore markets.

Hunting's newly branded Advanced Manufacturing Group, which combines the Group's precision engineering and manufacturing capabilities continues to develop its single source measurement-while-drilling/logging-while-drilling ("MWD/LWD") offering, with increasing interest from customers. At the half year stage, Hunting Innova reported increased sales and a strengthened order book for both its manufactured and electronic products and, as part of a strategy to increase capacity, an expansion at the Hunting Dearborn facility was also completed in the period.

Hunting Specialty delivered an excellent performance in H1 2012, with strong sales of non-magnetic accessories and sand screens.

Well Completion
Hunting Titan has performed well in the reporting period, with prevailing commodity prices driving activity in North America. While an increase in competition between suppliers has been noted, the transition from dry-gas shale plays to oil-focused targets continues to drive demand for Titan's broad suite of products. Expansion initiatives to implement pre-acquisition strategic goals, in particular international growth, are being pursued, with sales personnel added in Europe and the Middle East to increase the sales mix of Titan's product lines outside of North America. In addition, capital expenditure has been approved, which will allow the manufacture of Titan's products at the Group's Wuxi, China, facility for sale in that region.

During the period, the integration of Titan into the Group continued, with the production of perforating guns commencing at two of the Group's North American facilities.

Hunting's US Manufacturing unit has seen a marked increase in activity levels in H1 2012. Many of the unit's facilities have

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increased the number of operating shifts in the year to date and are booked into the latter part of the year.

The Group continues to implement lean manufacturing and best practice initiatives across its facilities, resulting in synergy and production efficiency benefits.

Well Intervention
Hunting's Subsea products were adversely impacted by delays in the recertification of deep water equipment for drilling in the Gulf of Mexico. The business is expected to improve towards the final part of the year, as the unit's expansion programme concludes, coupled with improvements in the international offshore arena and the ongoing recovery in the Gulf of Mexico.

The business continues to see good demand for its pressure control products, with initiatives underway to broaden the geographic reach of these products globally.

Hunting Welltonic experienced poor demand for its ThruTubing product lines in the first six months of the year, however measures have been taken to develop a sales force in North America, where good demand from shale related drilling targets has been identified.

Exploration and Production
During H1 2012, Hunting's Exploration and Production unit participated in four successful exploration wells out of five wells drilled. Commodity prices, particularly natural gas, and production volumes have been lower than expected, resulting in the business delivering results for the first half of the year below the comparable period in 2011.

On a Net Equivalent Barrel ("NEB") basis, production in H1 2012 was 69,000 NEB (2011 – 147,000 NEB), with proven reserves at 30 June 2012 of 1.1m NEB (31 December 2011 – 1.2m NEB).

Following a valuation of oil and gas reserves at 30 June 2012, the business has taken an impairment charge of £2.7m, reflecting lower forward gas commodity prices compared to those at 31 December 2011.

Gibson Shipbrokers
Gibson Shipbrokers continues to expand, with transactions approximately 15% up on last year, with most trading areas returning notable year on year gains – a significant achievement, given the strong competitive market conditions.

The business continues to increase its employee headcount in targeted areas particularly within the Asia-Pacific region, with the business now employing 154 (31 December 2011 – 148).

Principal Risks and Uncertainties Facing the Business

The Group has an established risk management, monitoring and review process. The process requires all businesses to identify, evaluate and monitor risks and take steps to reduce, eliminate or manage the risk.

There are a number of potential risks and uncertainties, which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results.

Some of the risks that Hunting is exposed to, which could have a material adverse impact on the Group, arise from the specific activities undertaken by the Group, whereas other risks are common to many international manufacturing companies.

Risks specific to the nature of the Group's businesses are product quality and reliability; integration of acquisitions; capital investment programmes; curtailment of shale drilling; commodity prices; and relationships with key customers.

Other risks facing the business, which are common to other international manufacturing businesses, are fluctuations in currency exchange rates; effective control over subsidiaries; loss of key executives; economics and geopolitics; health, safety and environmental laws and regulations.

The Directors do not consider that the principal risks and uncertainties have changed significantly since the publication of the Annual Report for the year ended 31 December 2011, in which these risks and uncertainties are discussed in detail on pages 27 and 28. As such these risks continue to apply to the Group for the remaining six months of the financial year.

Outlook

In North America, many of the Group's manufacturing units are reporting robust order books, extending into the final quarter of the year. As the US energy industry continues to shift towards oil-focused unconventional drilling targets and as offshore activity levels build, the Group remains well positioned to benefit from this momentum.

In Europe and the Middle East, the medium term outlook is improving as UK government legislation and new exploration licensing rounds add momentum to the current rig count lows seen in the North Sea, while new opportunities in the Middle East continue to develop as exploration drilling increases in countries such as Iraq.

In Asia-Pacific, the Group's presence in Singapore and China position the Company for growth as hydrocarbon exploration and development activity builds, fuelled by regional economic growth.

Industry commentators are forecasting a 10% year on year increase in global exploration and production spending in 2012, which is expected to benefit the Group. This increase, coupled with a stable global outlook for hydrocarbon demand, positions Hunting to continue to deliver good growth across its major business units.

Given the strong growth seen in H1 and subject to sustained drilling activity levels in North America, a supportive oil price, and no further deterioration in the global economic environment, the Company is comfortable with managements' expectations for the full year.

Forward-looking Statements

Certain statements in this half year report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Richard Hunting, CBE
Chairman

Dennis Proctor
Chief Executive

30 August 2012

Statement of Directors' Responsibilities

The Directors confirm that, to the best of their knowledge, these condensed, consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union and that the half year management report includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of consolidated financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months of the financial year and any material changes in the related party transactions described in the 2011 Annual Report and Accounts.

The Directors of the Company are listed on page 35 in Hunting PLC's 2011 Annual Report and Accounts and on the Company's website: www.huntingplc.com.

By order of the Board

Peter Rose
Finance Director
30 August 2012

Independent Review Report to Hunting PLC

Introduction
We have been engaged by the Company to review the condensed set of consolidated financial statements in the half year report for the six months ended 30 June 2012, which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes. We have read the other information contained in the half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial statements.

Directors' Responsibilities
The half year report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half year report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

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

Our Responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the half year report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half year report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
30 August 2012

Notes:
(a) The maintenance and integrity of the Hunting PLC website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the half year report since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Consolidated Income Statement

Unaudited

	Notes	Six months ended 30 June 2012 Before amortisation and exceptional items £m	Six months ended 30 June 2012 Amortisation and exceptional items (note 3) £m	Six months ended 30 June 2012 Total £m	Restated Six months ended 30 June 2011 Before amortisation and exceptional items £m	Restated Six months ended 30 June 2011 Amortisation and exceptional items (note 3) £m	Restated Six months ended 30 June 2011 Total £m
Revenue	2	**406.9**	**–**	**406.9**	251.3	–	251.3
Cost of sales		**(276.8)**	**(8.8)**	**(285.6)**	(182.2)	–	(182.2)
Gross profit		**130.1**	**(8.8)**	**121.3**	69.1	–	69.1
Other operating income		**2.0**	**–**	**2.0**	1.3	–	1.3
Operating expenses		**(66.7)**	**(15.6)**	**(82.3)**	(44.6)	(3.7)	(48.3)
Profit from continuing operations	2	**65.4**	**(24.4)**	**41.0**	25.8	(3.7)	22.1
Finance income		**0.8**	**–**	**0.8**	1.5	–	1.5
Finance expense		**(4.6)**	**–**	**(4.6)**	(1.9)	–	(1.9)
Share of associates' post-tax profits		**0.4**	**–**	**0.4**	0.4	–	0.4
Profit before tax from continuing operations		**62.0**	**(24.4)**	**37.6**	25.8	(3.7)	22.1
Taxation	5	**(17.9)**	**9.4**	**(8.5)**	(7.8)	1.0	(6.8)
Profit for the period:							
From continuing operations		**44.1**	**(15.0)**	**29.1**	18.0	(2.7)	15.3
From discontinued operations	6	**–**	**1.3**	**1.3**	(0.6)	52.3	51.7
Profit for the period		**44.1**	**(13.7)**	**30.4**	17.4	49.6	67.0
Profit attributable to:							
Owners of the parent		**42.7**	**(13.7)**	**29.0**	16.2	49.6	65.8
Non-controlling interests		**1.4**	**–**	**1.4**	1.2	–	1.2
		44.1	**(13.7)**	**30.4**	17.4	49.6	67.0
Earnings (loss) per share							
Basic – from continuing operations	7	**29.3p**		**19.0p**	12.8p		10.7p
– from discontinued operations	7	**–**		**0.9p**	(0.5)p		39.2p
Group total		**29.3p**		**19.9p**	12.3p		49.9p
Diluted – from continuing operations	7	**28.6p**		**18.5p**	12.5p		10.5p
– from discontinued operations	7	**–**		**0.9p**	(0.4)p		38.4p
Group total		**28.6p**		**19.4p**	12.1p		48.9p

Consolidated Income Statement continued

Audited

	Notes	Year ended 31 December 2011 Before amortisation and exceptional items £m	Amortisation and exceptional items (note 3) £m	Total £m
Revenue	2	608.8	–	608.8
Cost of sales		(428.2)	(13.9)	(442.1)
Gross profit		180.6	(13.9)	166.7
Other operating income		3.3	–	3.3
Operating expenses		(102.9)	(26.1)	(129.0)
Profit from continuing operations	2	81.0	(40.0)	41.0
Finance income		3.5	–	3.5
Finance expense		(5.7)	(1.0)	(6.7)
Share of associates' post-tax profits		1.0	–	1.0
Profit before tax from continuing operations		79.8	(41.0)	38.8
Taxation	5	(22.5)	15.2	(7.3)
Profit for the year:				
From continuing operations		57.3	(25.8)	31.5
From discontinued operations	6	0.7	50.0	50.7
Profit for the year		58.0	24.2	82.2
Profit attributable to:				
Owners of the parent		54.9	24.2	79.1
Non-controlling interests		3.1	–	3.1
		58.0	24.2	82.2
Earnings per share				
Basic – from continuing operations	7	39.6p		20.7p
– from discontinued operations	7	0.5p		37.0p
Group total		40.1p		57.7p
Diluted – from continuing operations	7	38.7p		20.3p
– from discontinued operations	7	0.5p		36.2p
Group total		39.2p		56.5p

Consolidated Statement of Comprehensive Income

Unaudited

	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Profit for the period	**30.4**	67.0	82.2
Other comprehensive income after tax:			
Exchange adjustments	**(5.8)**	(4.8)	6.6
Release of foreign exchange adjustments on disposal of subsidiary	**(2.1)**	–	–
Fair value gains and losses:			
– gain on available for sale financial investment arising during the period	**–**	35.2	35.3
– gains transferred to income statement on redemption of available for sale financial investment	**–**	(53.1)	(53.2)
– gains originating on cash flow hedges arising during the period	**0.2**	0.3	4.0
– (gains) losses transferred to income statement on disposal of cash flow hedges	**–**	(0.4)	0.8
– gains transferred to goodwill on disposal of cash flow hedges	**–**	–	(5.5)
Actuarial gains (losses) on defined benefit pension schemes	**1.0**	0.1	(1.3)
Other comprehensive expense after tax	**(6.7)**	(22.7)	(13.3)
Total comprehensive income for the period	**23.7**	44.3	68.9
Total comprehensive income attributable to:			
Owners of the parent	**22.4**	42.3	65.1
Non-controlling interests	**1.3**	2.0	3.8
	23.7	44.3	68.9

Consolidated Balance Sheet

Unaudited

	At 30 June 2012 £m	At 30 June 2011 £m	Restated At 31 December 2011 £m
ASSETS			
Non-current assets			
Property, plant and equipment	**247.4**	160.4	231.2
Goodwill	**315.0**	98.8	317.9
Other intangible assets	**204.6**	19.4	220.8
Investments in associates	**6.2**	12.9	5.9
Investments	**3.8**	0.2	0.2
Retirement benefit assets	**7.0**	6.2	4.8
Trade and other receivables	**3.9**	1.5	2.2
Deferred tax assets	**17.9**	6.7	20.5
	805.8	306.1	803.5
Current assets			
Inventories	**241.3**	139.0	231.0
Trade and other receivables	**153.5**	100.9	174.2
Investments	**2.8**	2.5	2.4
Cash and cash equivalents	**86.5**	364.0	68.8
Assets classified as held for sale	**–**	11.2	13.6
	484.1	617.6	490.0
LIABILITIES			
Current liabilities			
Trade and other payables	**157.1**	115.2	146.8
Current tax liabilities	**13.7**	21.9	18.9
Borrowings	**69.4**	68.7	43.2
Provisions	**42.6**	40.3	42.3
Liabilities classified as held for sale	**–**	5.6	8.5
	282.8	251.7	259.7
Net current assets	**201.3**	365.9	230.3
Non-current liabilities			
Trade and other payables	**3.3**	–	–
Borrowings	**211.3**	2.2	248.3
Deferred tax liabilities	**33.0**	25.0	35.3
Provisions	**16.9**	15.2	18.2
	264.5	42.4	301.8
Net assets	**742.6**	629.6	732.0
Equity attributable to owners of the parent			
Share capital	**36.7**	33.3	36.6
Share premium	**88.4**	86.9	87.1
Other components of equity	**33.0**	29.7	41.1
Retained earnings	**566.4**	463.5	550.4
	724.5	613.4	715.2
Non-controlling interests	**18.1**	16.2	16.8
Total equity	**742.6**	629.6	732.0

As permitted under IFRS 3, the balance sheet at 31 December 2011 has been restated to recognise additional goodwill of £1.4m and a reduction in inventories of £1.4m on the acquisition of Hunting Titan on 16 September 2011. The balance sheet at 1 January 2011 has not been presented, as there was no impact on the previous year's numbers from this adjustment.

Consolidated Statement of Changes in Equity

Unaudited

	Six months ended 30 June 2012						
	Share capital £m	Share premium £m	Other components of equity £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 1 January	**36.6**	**87.1**	**41.1**	**550.4**	**715.2**	**16.8**	**732.0**
Comprehensive income							
Profit for the period	–	–	–	29.0	29.0	1.4	30.4
Other comprehensive income							
Exchange adjustments	–	–	(5.7)	–	(5.7)	(0.1)	(5.8)
Release of foreign exchange adjustments on disposal of subsidiary	–	–	(2.1)	–	(2.1)	–	(2.1)
Fair value gains and losses:							
– gains originating on cash flow hedges arising during the period	–	–	0.2	–	0.2	–	0.2
Actuarial gains on defined benefit pension schemes	–	–	–	1.0	1.0	–	1.0
Total other comprehensive (expense) income after tax	–	–	(7.6)	1.0	(6.6)	(0.1)	(6.7)
Total comprehensive income	–	–	(7.6)	30.0	22.4	1.3	23.7
Transactions with owners							
Dividends	–	–	–	(16.1)	(16.1)	–	(16.1)
Shares issued							
– share option schemes and awards	0.1	1.3	–	–	1.4	–	1.4
Purchase of treasury shares	–	–	–	(0.8)	(0.8)	–	(0.8)
Disposal of treasury shares	–	–	–	1.0	1.0	–	1.0
Share options and awards							
– value of employee services	–	–	1.2	–	1.2	–	1.2
– discharge	–	–	(1.7)	1.9	0.2	–	0.2
Total transactions with owners	0.1	1.3	(0.5)	(14.0)	(13.1)	–	(13.1)
At 30 June	**36.7**	**88.4**	**33.0**	**566.4**	**724.5**	**18.1**	**742.6**

Consolidated Statement of Changes in Equity continued

Unaudited

	Six months ended 30 June 2011						
	Share capital £m	Share premium £m	Other components of equity £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 1 January	33.1	85.8	52.2	409.3	580.4	14.2	594.6
Comprehensive income							
Profit for the period	–	–	–	65.8	65.8	1.2	67.0
Other comprehensive income							
Exchange adjustments	–	–	(5.6)	–	(5.6)	0.8	(4.8)
Fair value gains and losses:							
– gain on available for sale financial investment arising during the period	–	–	35.2	–	35.2	–	35.2
– gains transferred to income statement on redemption of available for sale financial investment	–	–	(53.1)	–	(53.1)	–	(53.1)
– gains originating on cash flow hedges arising during the period	–	–	0.3	–	0.3	–	0.3
– gains transferred to income statement on disposal of cash flow hedges	–	–	(0.4)	–	(0.4)	–	(0.4)
Actuarial gains on defined benefit pension schemes	–	–	–	0.1	0.1	–	0.1
Total other comprehensive (expense) income after tax	–	–	(23.6)	0.1	(23.5)	0.8	(22.7)
Total comprehensive income	–	–	(23.6)	65.9	42.3	2.0	44.3
Transactions with owners							
Dividends	–	–	–	(11.0)	(11.0)	–	(11.0)
Shares issued							
– share option schemes and awards	0.2	1.1	–	–	1.3	–	1.3
Purchase of treasury shares	–	–	–	(1.1)	(1.1)	–	(1.1)
Disposal of treasury shares	–	–	–	0.2	0.2	–	0.2
Share options and awards							
– value of employee services	–	–	1.3	–	1.3	–	1.3
– discharge	–	–	(0.2)	0.2	–	–	–
Total transactions with owners	0.2	1.1	1.1	(11.7)	(9.3)	–	(9.3)
At 30 June	33.3	86.9	29.7	463.5	613.4	16.2	629.6

Consolidated Statement of Changes in Equity continued

Audited

	Year ended 31 December 2011						
	Share capital £m	Share premium £m	Other components of equity £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 1 January	33.1	85.8	52.2	409.3	580.4	14.2	594.6
Comprehensive income							
Profit for the year	–	–	–	79.1	79.1	3.1	82.2
Other comprehensive income							
Exchange adjustments	–	–	5.9	–	5.9	0.7	6.6
Fair value gains and losses:							
– gain on available for sale financial investment arising during the year	–	–	35.3	–	35.3	–	35.3
– gains transferred to income statement on redemption of available for sale financial investment	–	–	(53.2)	–	(53.2)	–	(53.2)
– gains originating on cash flow hedges arising during the year	–	–	4.0	–	4.0	–	4.0
– losses transferred to income statement on disposal of cash flow hedges	–	–	0.8	–	0.8	–	0.8
– gains transferred to goodwill on disposal of cash flow hedges	–	–	(5.5)	–	(5.5)	–	(5.5)
Actuarial losses on defined benefit pension schemes	–	–	–	(1.3)	(1.3)	–	(1.3)
Total other comprehensive (expense) income after tax	–	–	(12.7)	(1.3)	(14.0)	0.7	(13.3)
Total comprehensive income	–	–	(12.7)	77.8	65.1	3.8	68.9
Transactions with owners							
Dividends	–	–	–	(16.8)	(16.8)	(1.2)	(18.0)
Shares issued							
– share option schemes and awards	0.2	1.3	–	–	1.5	–	1.5
– share placing	3.3	–	82.1	–	85.4	–	85.4
– share placing costs	–	–	(1.9)	–	(1.9)	–	(1.9)
Treasury shares							
– purchase of treasury shares	–	–	–	(1.1)	(1.1)	–	(1.1)
– disposal of treasury shares	–	–	–	0.2	0.2	–	0.2
Share options and awards							
– value of employee services	–	–	2.2	–	2.2	–	2.2
– discharge	–	–	(0.6)	0.6	–	–	–
– taxation	–	–	–	0.2	0.2	–	0.2
Transfer between reserves	–	–	(80.2)	80.2	–	–	–
Total transactions with owners	3.5	1.3	1.6	63.3	69.7	(1.2)	68.5
At 31 December	36.6	87.1	41.1	550.4	715.2	16.8	732.0

Consolidated Statement of Cash Flows

Unaudited

	Notes	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Operating activities				
Continuing operations:				
Profit from operations		**41.0**	22.1	41.0
Depreciation, amortisation and impairment		**30.1**	12.5	36.2
Loss on disposal of property, plant and equipment		**1.2**	0.8	1.4
Proceeds from disposal of property, plant and equipment held for rental		**1.3**	1.1	3.1
Purchase of property, plant and equipment held for rental		**(9.3)**	(9.0)	(20.2)
Increase in inventories		**(12.2)**	(12.7)	(14.1)
Decrease (increase) in receivables		**19.3**	(0.4)	(38.0)
(Decrease) increase in payables		**(0.4)**	4.1	33.4
Decrease in provisions		**(0.9)**	(0.7)	(0.1)
Taxation paid		**(13.3)**	(6.4)	(15.5)
Other non-cash flow items		**0.2**	0.6	1.1
Discontinued operations		**–**	–	2.0
Net cash inflow from operating activities		**57.0**	12.0	30.3
Investing activities				
Continuing operations:				
Interest received		**0.5**	1.4	2.3
Dividends received from associates		**0.2**	0.1	2.3
Purchase of subsidiaries		**(2.2)**	–	(593.6)
Net cash acquired with subsidiaries		**–**	–	26.9
Proceeds from disposal of subsidiaries	10	**3.1**	85.3	87.5
Loans to associates		**–**	–	(0.6)
Loans to associates repaid		**0.4**	–	–
Loans from associates		**–**	–	0.1
Loans from associates repaid		**(0.9)**	(1.1)	(0.6)
Proceeds from disposal of property, plant and equipment		**0.5**	0.2	1.7
Purchase of property, plant and equipment		**(27.9)**	(12.8)	(37.8)
Purchase of intangible assets		**(0.2)**	(0.1)	(0.3)
(Increase) decrease in bank deposit investments		**(0.4)**	–	0.1
Discontinued operations		**–**	0.1	0.2
Net cash (outflow) inflow from investing activities		**(26.9)**	73.1	(511.8)
Financing activities				
Continuing operations:				
Interest and bank fees paid		**(3.8)**	(1.7)	(9.9)
Equity dividends paid		**–**	–	(16.8)
Non-controlling interest dividend paid		**–**	–	(1.2)
Share capital issued		**1.4**	1.3	86.8
Costs of share issue		**–**	–	(1.9)
Purchase of treasury shares		**(0.8)**	(1.1)	(1.1)
Proceeds from new borrowings		**3.4**	2.8	266.7
Repayment of borrowings		**(36.4)**	–	(16.3)
Net cash (outflow) inflow from financing activities		**(36.2)**	1.3	306.3
Net cash (outflow) inflow in cash and cash equivalents		**(6.1)**	86.4	(175.2)
Cash and cash equivalents at the beginning of period		**35.1**	212.0	212.0
Effect of foreign exchange rates		**(0.3)**	1.3	0.2
Classified as held for sale		**–**	(1.5)	(1.9)
Cash and cash equivalents at end of period		**28.7**	298.2	35.1
Cash and cash equivalents at the end of the period comprise:				
Cash and cash equivalents		**86.5**	364.0	68.8
Bank overdrafts included in borrowings		**(57.8)**	(65.8)	(33.7)
		28.7	298.2	35.1

Notes

1. Basis of Accounting

The financial information contained in this half year report complies with IAS 34 Interim Financial Reporting, as adopted by the European Union, and with the Disclosure and Transparency Rules of the Financial Services Authority. The condensed set of consolidated financial statements should be read in conjunction with the 2011 Annual Report and Accounts, which have been prepared in accordance with IFRSs and IFRICs, as adopted by the European Union. The accounting policies adopted in this condensed set of consolidated financial statements are consistent with those used to prepare the 2011 Annual Report and Accounts.

This half year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2011 has been delivered to the Registrar of Companies. The independent auditors' report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. This condensed set of consolidated interim financial statements has been reviewed, not audited.

The Group's presentation of intangible asset amortisation was changed for the year ended 31 December 2011, such that the charge was separately presented with exceptional items in the income statement. The results for the six months ended 30 June 2011 have been restated to reflect this change.

As permitted under IFRS 3, the balance sheet at 31 December 2011 has been restated to recognise additional goodwill of £1.4m and a reduction in inventories of £1.4m on the acquisition of Hunting Titan on 16 September 2011. The balance sheet at 1 January 2011 has not been presented, as there was no impact on the previous year's numbers from this adjustment.

Going Concern Basis

The Group has access to considerable financial resources including a £375m committed bank facility. The main financial covenants attached to this facility are EBITDA should not be less than 4 times net finance charges and net debt should be no more than 3.5 times EBITDA. EBITDA, for covenant test purposes, is based on the previous rolling twelve month period, measured twice yearly at 30 June and 31 December. The Group has a broad range of products and services and a diverse, global customer and supplier base and meets its day-to-day working capital requirements through its cash and debt facilities.

The Group has limited exposure to the Euro zone or other regions that are perceived as high risk or regions exposed to the direct impact of austerity measures. The Group also has limited exposure to credit risk, as it has strong, well-developed relationships with its material customers and maintains insurance cover over 90% of its trade receivables.

The Group's results are exposed to currency risk, as a major portion of earnings is generated in several currencies, in particular the US dollar, prior to translation into sterling at the period's average exchange rate. Movements in these rates do affect the Group's results. In response to this, forecast results are monitored closely in respect of currency exposure and certain derivatives are purchased to mitigate this risk.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is well placed to manage its business successfully in the current economic climate. The Directors, having made appropriate enquiries, are satisfied that the Group has adequate resources to meet the Group's operational requirements for the foreseeable future. The Group, therefore, continues to adopt the going concern basis in preparing these condensed, consolidated interim financial statements.

Notes continued

2. Segmental Reporting

The Group reports on seven operating segments during the current period, two of which are discontinued operations, in its internal management reports, which are used to make strategic decisions. The Group's segments are strategic business units that offer different products and services to international oil and gas companies and the shipping sector. There has been no change in the basis of measurement of segment profit or loss since the year ended 31 December 2011.

Results from operations

	Six months ended 30 June 2012					
	Total gross revenue £m	Inter-segmental revenue £m	Total revenue £m	Profit from operations before amortisation and exceptional items £m	Amortisation and exceptional items £m	Total £m
Continuing operations:						
Hunting Energy Services						
Well Construction	138.9	(3.0)	135.9	21.8	(3.8)	18.0
Well Completion	232.7	(7.7)	225.0	38.5	(17.6)	20.9
Well Intervention	30.0	(0.5)	29.5	3.9	(0.3)	3.6
Exploration and Production	2.6	–	2.6	0.1	(2.7)	(2.6)
	404.2	(11.2)	393.0	64.3	(24.4)	39.9
Gibson Shipbrokers	13.9	–	13.9	1.1	–	1.1
Total from continuing operations	418.1	(11.2)	406.9	65.4	(24.4)	41.0
Net finance expense				(3.8)	–	(3.8)
Share of associates' post-tax profits				0.4	–	0.4
Profit before tax from continuing operations				62.0	(24.4)	37.6
Discontinued operations:						
Gibson Energy	–	–	–	–	(0.2)	(0.2)
Field Aviation	10.1	–	10.1	–	1.5	1.5
Total from discontinued operations	10.1	–	10.1	–	1.3	1.3

Notes continued

2. Segmental Reporting continued

	Restated Six months ended 30 June 2011					
	Total gross revenue £m	Inter-segmental revenue £m	Total revenue £m	Profit from operations before amortisation and exceptional items £m	Amortisation and exceptional items £m	Total £m
Continuing operations:						
Hunting Energy Services						
Well Construction	80.5	(2.7)	77.8	9.2	(2.5)	6.7
Well Completion	137.0	(5.8)	131.2	11.3	–	11.3
Well Intervention	26.0	–	26.0	4.1	(0.3)	3.8
Exploration and Production	4.7	–	4.7	1.5	–	1.5
	248.2	(8.5)	239.7	26.1	(2.8)	23.3
Gibson Shipbrokers	11.6	–	11.6	(0.3)	–	(0.3)
Total from continuing operations	**259.8**	**(8.5)**	**251.3**	**25.8**	**(2.8)**	**23.0**
Exceptional items not apportioned to business segments*				–	(0.9)	(0.9)
Profit from continuing operations				**25.8**	**(3.7)**	**22.1**
Net finance expense				(0.4)	–	(0.4)
Share of associates' post-tax profits				0.4	–	0.4
Profit before tax from continuing operations				**25.8**	**(3.7)**	**22.1**
Discontinued operations:						
Gibson Energy	–	–	–	–	57.4	57.4
Hunting Energy France	–	–	–	–	0.1	0.1
Field Aviation	10.3	–	10.3	(1.0)	–	(1.0)
Total from discontinued operations	**10.3**	**–**	**10.3**	**(1.0)**	**57.5**	**56.5**
Net finance income				0.1	–	0.1
Taxation				0.3	(5.2)	(4.9)
Profit from discontinued operations				**(0.6)**	**52.3**	**51.7**

* Exceptional items not apportioned to business segments include acquisition costs and head office property provisions.

Segmental information for the six months ended 30 June 2011 has been restated to show profit before amortisation and exceptional items, in order to be consistent with the presentation of segmental information for the year ended 31 December 2011 and six months ended 30 June 2012.

Notes continued

2. Segmental Reporting continued

	Year ended 31 December 2011					
	Total gross revenue £m	Inter-segmental revenue £m	Total revenue £m	Profit from operations before amortisation and exceptional items £m	Amortisation and exceptional items £m	Total £m
Continuing operations:						
Hunting Energy Services						
Well Construction	200.8	(6.3)	194.5	28.5	(7.8)	20.7
Well Completion	340.9	(13.7)	327.2	41.2	(19.8)	21.4
Well Intervention	52.9	–	52.9	7.9	(0.6)	7.3
Exploration and Production	8.2	–	8.2	1.7	(1.0)	0.7
	602.8	(20.0)	582.8	79.3	(29.2)	50.1
Gibson Shipbrokers	26.0	–	26.0	1.7	–	1.7
Total from continuing operations	**628.8**	**(20.0)**	**608.8**	**81.0**	**(29.2)**	**51.8**
Exceptional items not apportioned to business segments*				–	(10.8)	(10.8)
Profit from continuing operations				**81.0**	**(40.0)**	**41.0**
Net finance expense				(2.2)	(1.0)	(3.2)
Share of associates' post-tax profits				1.0	–	1.0
Profit before tax from continuing operations				**79.8**	**(41.0)**	**38.8**
Discontinued operations:						
Gibson Energy	–	–	–	–	55.0	55.0
Hunting Energy France	–	–	–	–	0.1	0.1
Field Aviation	25.9	–	25.9	0.8	–	0.8
Total from discontinued operations	**25.9**	**–**	**25.9**	**0.8**	**55.1**	**55.9**
Net finance income				0.2	–	0.2
Taxation				(0.3)	(5.1)	(5.4)
Profit from discontinued operations				**0.7**	**50.0**	**50.7**

* Exceptional items not apportioned to business segments include acquisition costs and head office property provisions.

Notes continued

3. Amortisation and Exceptional Items

	Six months ended 30 June 2012 £m	Restated Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Fair value uplift to inventories charge	**6.1**	–	12.9
Impairment of property, plant and equipment	**2.7**	–	1.0
Charged to cost of sales	**8.8**	–	13.9
Amortisation of intangible assets	**14.4**	2.8	12.2
Acquisition costs	**–**	0.6	8.6
Retention bonuses for management of acquired businesses	**1.2**	–	1.6
Impairment of goodwill	**–**	–	1.5
Property provisions	**–**	0.3	2.2
Charged to operating expenses	**15.6**	3.7	26.1
Amortisation and exceptional items	**24.4**	3.7	40.0
Unamortised loan facility fees written off – charged to finance expense	**–**	–	1.0
Taxation on amortisation and exceptional items	**(9.4)**	(1.0)	(15.2)
Total from continuing operations	**15.0**	2.7	25.8

Intangible asset amortisation charges increased from £2.8m in the six months ended 30 June 2011 to £14.4m for the six months ended 30 June 2012 due to the increased charge arising on intangible assets recognised on the four acquisitions completed in the second half of 2011.

Under IFRS, at acquisition, inventory values are adjusted from their carrying values (generally at cost of production) to a fair value, which includes profit attributable to the degree of completion of the inventory. This uplift is charged to the income statement as the inventory is sold, thereby reducing reported operating profits. In the six months ended 30 June 2012, the charge was £6.1m relating to the four acquisitions completed in the second half of 2011.

A £1.2m charge for bonuses for key employee retention, relating to the 2011 acquisitions, has been recognised. All relevant employees have been paid their bonuses in the period and the liability has been discharged.

Following a valuation of oil and gas reserves at 30 June 2012, an impairment charge of £2.7m for oil and gas development expenditure has been recognised, reflecting lower forward gas commodity prices compared to those at 31 December 2011.

During the period, the Group incurred £0.4m of acquisition costs. These have been charged to operating expenses and have not been presented as exceptional.

The Group's presentation of intangible asset amortisation was changed for the year ended 31 December 2011, such that the charge was separately presented with exceptional items in the income statement. The results for the six months ended 30 June 2011 have been restated to reflect this change.

4. EBITDA

	Six months ended 30 June 2012 £m	Restated Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Total profit from continuing operations	**41.0**	22.1	41.0
Add: amortisation and exceptional items (note 3)	**24.4**	3.7	40.0
Add: depreciation	**13.0**	9.7	21.5
EBITDA	**78.4**	35.5	102.5

"EBITDA" is a non-GAAP measure and is defined as pre-exceptional profit from continuing operations before interest, tax, depreciation, amortisation and impairment to property, plant and equipment. EBITDA is used by the Board as a measure of the Group's performance.

Notes continued

5. Taxation

The taxation charge for the six months ended 30 June 2012 is calculated by applying the estimated annual Group effective rate of tax to the profit for the period.

The estimated weighted average tax rate for continuing operations before amortisation and exceptional items for the year ending 31 December 2012 is 29% and has been used for the six months ended 30 June 2012 (six months ended 30 June 2011 – 30%; year ended 31 December 2011 – 28%).

Included in the income statement are tax credits of £9.4m in respect of amortisation and exceptional items from continuing operations (six months ended 30 June 2011 – £1.0m; year ended 31 December 2011 – £15.2m).

A number of changes to the UK corporation tax system were announced in the March 2012 Budget Statement whereby, from 1 April 2012, the main rate of corporate tax has been reduced to 24%. The impact of this change has been recognised in calculating the effective rate of tax for the year ending 31 December 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% is included in the Finance Act 2012, which received Royal Assent on 17 July 2012. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014. The changes are not expected to have a material impact on the Group's deferred tax balances.

6. Discontinued Operations

On 27 April 2012, the Group sold its aviation engineering services business, Hunting Canadian Airport Holdings Ltd. and its subsidiaries, including Field Aviation Company Inc. (together referred to as "Field Aviation").

The sale of Gibson Energy Inc., Hunting's midstream services operation, was completed on 12 December 2008 and on 22 December 2009 the Group sold Hunting Energy France SA, its French-based business.

The results from discontinued operations comprise the following:

	Six months ended 30 June 2012		
	Field Aviation £m	Gibson Energy £m	Total £m
Trading results:			
Revenue	**10.1**	–	**10.1**
Cost of sales	**(9.6)**	–	**(9.6)**
Gross profit	**0.5**	–	**0.5**
Other operating income	**0.8**	–	**0.8**
Operating expenses	**(1.3)**	–	**(1.3)**
Profit from operations	–	–	–
Finance income	–	–	–
Profit before tax	–	–	–
Taxation	–	–	–
Profit for the period	–	–	–
Gain (loss) on disposal:			
Gain (loss) on sale before tax	**1.5**	**(0.2)**	**1.3**
Tax on gain (loss)	–	–	–
Gain (loss) on sale after tax	**1.5**	**(0.2)**	**1.3**
Total profit (loss) from discontinued operations	**1.5**	**(0.2)**	**1.3**

Additional provisions, offset by foreign exchange gains, of £0.2m have been recognised on the Canadian dollar denominated tax indemnities given in respect of our former Canadian business, Gibson Energy.

Notes continued

6. Discontinued Operations continued

	Six months ended 30 June 2011			
	Field Aviation £m	Hunting Energy France £m	Gibson Energy £m	Total £m
Trading results:				
Revenue	10.3	–	–	10.3
Cost of sales	(10.5)	–	–	(10.5)
Gross loss	(0.2)	–	–	(0.2)
Other operating income	1.2	–	–	1.2
Operating expenses	(2.0)	–	–	(2.0)
Loss from operations	(1.0)	–	–	(1.0)
Finance income	0.1	–	–	0.1
Loss before tax	(0.9)	–	–	(0.9)
Taxation	0.3	–	–	0.3
Loss for the period	(0.6)	–	–	(0.6)
Gain on disposal:				
Gain on sale before tax	–	0.1	57.4	57.5
Tax on gain	–	–	(5.2)	(5.2)
Gain on sale after tax	–	0.1	52.2	52.3
Total (loss) profit from discontinued operations	(0.6)	0.1	52.2	51.7

	Year ended 31 December 2011			
	Field Aviation £m	Hunting Energy France £m	Gibson Energy £m	Total £m
Trading results:				
Revenue	25.9	–	–	25.9
Cost of sales	(23.9)	–	–	(23.9)
Gross profit	2.0	–	–	2.0
Other operating income	2.4	–	–	2.4
Operating expenses	(3.6)	–	–	(3.6)
Profit from operations	0.8	–	–	0.8
Finance income	0.2	–	–	0.2
Profit before tax	1.0	–	–	1.0
Taxation	(0.3)	–	–	(0.3)
Profit for the year	0.7	–	–	0.7
Gain on disposal:				
Gain on sale before tax	–	0.1	55.0	55.1
Tax on gain	–	–	(5.1)	(5.1)
Gain on sale after tax	–	0.1	49.9	50.0
Total profit from discontinued operations	0.7	0.1	49.9	50.7

Notes continued

7. Earnings per Share

Basic earnings per share is calculated by dividing the earnings attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

For diluted earnings per share, the weighted average number of outstanding Ordinary shares is adjusted to assume conversion of all dilutive potential Ordinary shares. The dilution in respect of share options applies where the exercise price is less than the average market price of the Company's Ordinary shares during the period and the possible issue of shares under the Group's long term incentive plans.

Reconciliations of the earnings and weighted average number of Ordinary shares used in the calculations are set out below:

	Six months ended 30 June 2012 £m	Restated Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Basic and diluted earnings attributable to Ordinary shareholders:			
From continuing operations	**27.7**	14.1	28.4
From discontinued operations	**1.3**	51.7	50.7
Total	**29.0**	65.8	79.1
Basic and diluted earnings attributable to Ordinary shareholders before amortisation and exceptional items:			
From continuing operations	**27.7**	14.1	28.4
Add: amortisation and exceptional items after taxation	**15.0**	2.7	25.8
Total	**42.7**	16.8	54.2
From discontinued operations	**1.3**	51.7	50.7
Add: exceptional items after taxation	**(1.3)**	(52.3)	(50.0)
Total	**–**	(0.6)	0.7

	millions	millions	millions
Basic weighted average number of Ordinary shares	**145.7**	131.9	137.1
Dilutive outstanding share options	**1.3**	1.5	1.4
Long term incentive plans	**2.2**	1.3	1.6
Adjusted weighted average number of Ordinary shares	**149.2**	134.7	140.1

	pence	pence	pence
Basic EPS:			
From continuing operations	**19.0**	10.7	20.7
From discontinued operations	**0.9**	39.2	37.0
	19.9	49.9	57.7
Diluted EPS:			
From continuing operations	**18.5**	10.5	20.3
From discontinued operations	**0.9**	38.4	36.2
	19.4	48.9	56.5
Earnings per share before amortisation and exceptional items			
Basic EPS:			
From continuing operations	**29.3**	12.8	39.6
From discontinued operations	**–**	(0.5)	0.5
	29.3	12.3	40.1
Diluted EPS:			
From continuing operations	**28.6**	12.5	38.7
From discontinued operations	**–**	(0.4)	0.5
	28.6	12.1	39.2

Notes continued

8. Property, Plant and Equipment
During the first six months of 2012, the net book value of property, plant and equipment increased from £231.2m to £247.4m due to additions of £36.7m, offset by foreign exchange losses of £1.6m, disposals of £3.2m, depreciation of £13.0m and impairments of £2.7m.

Additions include £11.2m for freehold land and buildings, £2.8m for oil and gas exploration and development and £22.7m for plant, machinery and motor vehicles.

9. Other Intangible Assets
During the first six months of 2012, the net book value of other intangible assets decreased from £220.8m to £204.6m due to additions of £0.2m, offset by foreign exchange losses of £2.0m and amortisation of £14.4m.

10. Business Disposals
On 27 April 2012, the Group sold Hunting Canadian Airport Holdings Ltd. and its subsidiaries, including Field Aviation Company Inc. (together referred to as "Field Aviation"), to Amavco Inc., through its subsidiary 1650614 Alberta Ltd., a group of companies owned by a consortium of North American investors assembled by the current management team of Field Aviation. The agreed selling price was £7.5m (Can$12.0m), with £2.5m (Can$4.0m) placed into an environmental escrow account, £1.9m (Can$3.0m) deferred in the form of an interest-bearing promissory note and the remainder paid in cash. Following fair value adjustments, principally relating to amounts held in the environmental escrow, the fair value of the consideration was £5.0m.

Details of the net assets disposed and consideration at fair value are set out below:

	£m
Property, plant and equipment	2.1
Deferred tax assets	0.2
Inventories	3.9
Trade and other receivables	5.6
Cash and cash equivalents	1.2
Current tax assets	0.2
Trade and other payables	(7.7)
Provisions	(0.3)
Deferred tax liabilities	(0.1)
Net assets disposed	5.1
Release of foreign exchange adjustments	(2.1)
Costs of disposal	0.5
Profit on disposal	1.5
Fair value of consideration	**5.0**

The consideration comprised the following:	
Net cash proceeds	3.1
Promissory note	1.7
Environmental escrow	0.2
Fair value of consideration	**5.0**

Promissory note
As part of the consideration, the Group subscribed to a promissory note, which is carried as a receivable at amortised cost. The note is repayable by 31 December 2018, is unsecured and is subordinate to bank debt put in place by the purchaser. Interest is charged at an effective rate of 10.8% per annum on the note.

Environmental escrow
Under the terms of the sale of Field Aviation, Hunting and the purchaser have agreed to establish an environmental escrow account to pay for any potential environmental matters which may arise relating to Field Aviation's hangar facilities in Calgary. The escrow account will remain in place until the property lease expires in 2027 or until a time when such environmental matters have been satisfactorily resolved. The environmental escrow account has been recognised at its fair value of £0.2m as an available for sale financial asset.

11. Dividends Paid

	Six months ended 30 June 2012 £m	Six months ended 30 June 2011 £m	Year ended 31 December 2011 £m
Ordinary dividends:			
2011 interim paid – 4.0p	**–**	–	5.8
2010 final paid – 8.3p	**–**	–	11.0
	–	–	16.8

A final dividend for 2011 of 11.0p per share was paid on 2 July 2012, amounting to a distribution of £16.1m. A 2012 interim dividend of 4.5p per share, which will absorb an estimated £6.6m, has been approved by the Board for payment on 16 November 2012 to shareholders on the register at the close of business on 26 October 2012, with an ex-dividend date of 24 October 2012.

12. Changes in Net Debt

	At 1 January 2012 £m	Cash flow £m	Exchange movements £m	Disposals £m	Amortisation of loan facility fees £m	At 30 June 2012 £m
Cash and cash equivalents	**68.8**	18.1	(0.4)	–	–	**86.5**
Bank overdrafts	**(33.7)**	(24.2)	0.1	–	–	**(57.8)**
	35.1	(6.1)	(0.3)	–	–	**28.7**
Investments	**2.4**	0.4	–	–	–	**2.8**
Current borrowings	**(9.5)**	(2.1)	–	–	–	**(11.6)**
Non-current borrowings	**(248.3)**	35.1	2.4	–	(0.5)	**(211.3)**
Cash classified as held for sale	**1.9**	(0.7)	–	(1.2)	–	**–**
Net debt	**(218.4)**	26.6	2.1	(1.2)	(0.5)	**(191.4)**

During the six months ended 30 June 2012, there was a £35.0m net reduction in the borrowings drawn on the Group's main committed bank facility.

13. Capital Commitments

Group capital expenditure committed to the purchase of property, plant and equipment, but not provided for in the six months ended 30 June 2012 amounted to £10.9m (at 30 June 2011 – £20.7m; at 31 December 2011 – £10.9m).