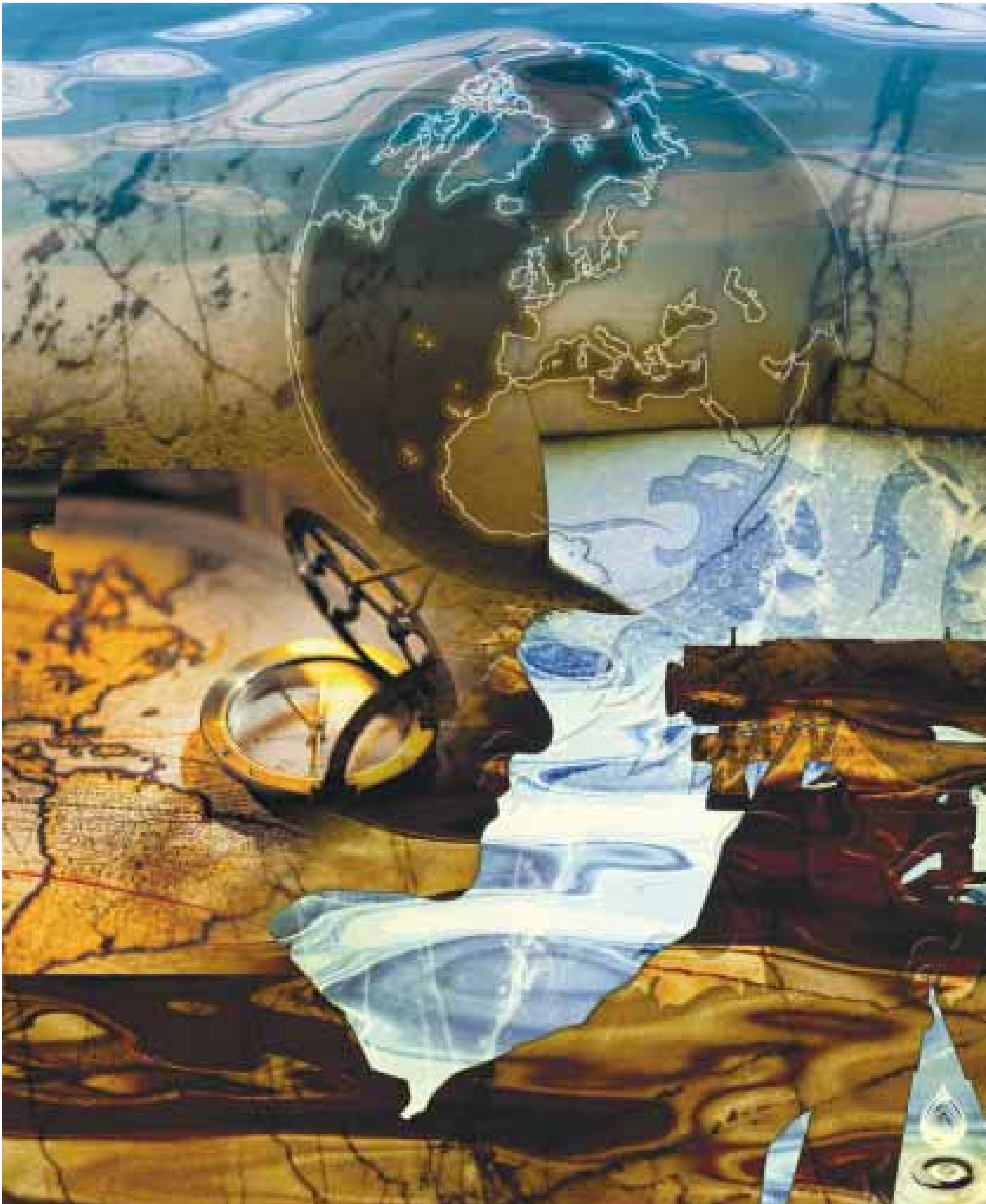
Interim Results

for the six months ended 30 September 2003



Financial Statistics

	Unaudited Six months ended 30 September 2003	Unaudited Six months ended 30 September 2002	Audited Year ended 31 March 2003
Turnover[a]	**£97.6m**	£111.4m	£209.2m
Operating profit[a]	**£6.9m**	£14.1m	£22.4m
EBITDA[b] before exceptional items	**£17.1m**	£24.2m	£43.4m
EBITDA margin[c]	**17.5%**	21.7%	20.7%
Profit on ordinary activities before taxation	**£5.6m**	£11.8m	£34.4m
Pre-tax profits before goodwill amortisation and exceptional items[d]	**£6.7m**	£12.8m	£20.0m
Basic EPS	**4.7p**	12.3p	37.8p
Basic EPS before goodwill amortisation and exceptional items	**6.5p**	13.8p	22.1p
Net indebtedness	**£48.5m**	£78.0m	£42.4m
Gearing (Net debt/Equity)	**50%**	91%	43%

a Group and share of joint ventures, as extracted from the profit and loss account.

b Represented by operating profit for the group of £5,877,000 (six months ended 30 September 2002 £13,819,000; year ended 31 March 2003 £21,660,000), plus group goodwill amortisation and depreciation of £9,472,000 (six months ended 30 September 2002 £9,377,000; year ended 31 March 2003 £19,933,000) and EBITDA from the joint ventures of £1,709,000 (six months ended 30 September 2002 £976,000; year ended 31 March 2003 £1,763,000).

c EBITDA[b] before exceptional items expressed against turnover[a].

d Represented by operating profit for the group and share of joint ventures of £6,883,000 (six months ended 30 September 2002 £14,129,000; year ended 31 March 2003 £22,382,000), plus goodwill amortisation of £1,144,000 (six months ended 30 September 2002 £1,242,000; year ended 31 March 2003 £2,388,000) less finance charges of £1,312,000 (six months ended 30 September 2002 £2,615,000; year ended 31 March 2003 £4,794,000).

Chairman's and Chief Executive's Statement

Further to our pre-close trading statement on 29 September 2003, and as we updated the market on 18 November 2003, generally weak trading conditions in the Americas and Asia Pacific continued, and provided a tough background from which to implement the important changes underway in the business. Relative to the same period last year, revenues of the group and share of joint ventures for the first half were reduced by 12%, broadly in line with management's expectations.

Given our high operational gearing created by what is essentially a fixed operating cost base, the impact of reduced turnover on operating profit is amplified. However, as highlighted in more detail below, we are making important changes to our operating structure which are designed to focus our cost base on large markets with significant growth potential. With continued adverse market conditions in the Americas expected to continue during the second half, we currently anticipate that the second half will not see an improvement on the first half results.

Dividend: The group's dividend policy remains focused on rewarding shareholders at an earnings and cash cover that is prudent and consistent with the long term earnings profile of the business. On this basis the board is proposing to pay a maintained interim dividend of 3.8p per share. This will be payable on 30 January 2004 to shareholders on the register at 30 December 2003. In the absence of unforeseen circumstances, the Board will recommend the payment of a maintained final dividend for the year ended 31 March 2004.

Tax Position: The effective tax rate for the group for the year is likely to be higher than anticipated at 43.4%, up from 30.4%, (effective current tax rate for the prior year 33%). This rate has arisen from changes to Expro's geographic mix of business and gives a fair guide as to the likely full year rate for the group. The magnitude of the change is influenced not only by the different geographic tax rates, but also the leveraged input of non deductible items (such as goodwill amortisation) at lower profitability.

Overview: *Cased Hole Services* remains a relatively resilient part of the group's portfolio. Turnover in this segment was virtually unchanged from the same period last year at £41.3m. This reflects the continued demand for our well performance technologies. Highlights for the period include growth in the UK continental shelf where EGIS, our integrated well management arm, increased market share, primarily with Shell, and further reinforced our position in the changing North Sea market. In China, an increasingly important market, we successfully introduced our well perforating technology for CNOOC in their ongoing Bohai Bay development. However, in the shallow water US Gulf of Mexico market, we have been impacted by continued low levels of capital spend from our clients relating to new wells. This is in line with many other service providers in this market.

Subsurface Systems, our deepwater field development business was down some 34% in turnover for the group and share of joint ventures to £20.8m, compared to the same period in the prior year. This was partly due to the loss of income from our former permanent monitoring business, the 50% retained is now reported in the QuantX joint venture. The main fall was related to Tronic, our connector business, reflecting the impact of phasing in global deepwater developments with revenues tied to the procurement phase of field development hardware. Tronic continues to enjoy an outstanding industry position both in market share terms and in technological leadership. Demand for our deepwater subsea safety tools varied by geographic market. In the UKCS and Norway, income grew against a generally poor industry outlook, confirming our strong position in the mid-water segment. However, in the ultra deepwater markets of West Africa and the Gulf of Mexico, where we recognised we had a technology shortfall, activity was slower. We have since been actively introducing our new generation systems with great success. The recently completed Conoco Magnolia project and the subsequent follow-on campaign for Pioneer Natural Resources, both in the Gulf of Mexico, have given us rapid client acceptance for our latest technology in this important market segment.

In our ***Surface and Environmental*** business, where we provide production solutions, well clean-up and reservoir characterisation services, turnover of the group and share of joint ventures reduced by 7% to £35.4m, compared to the same period last year. This partly reflected the conclusion of two major projects included in the prior year, the first being Shell's highly successful Malampaya project in Asia, and the second was the Gaggiano field development in Italy. On a positive note both the UKCS and Americas showed progress. The recent commencement of operations for Tuscan on the Ardmore field in the North Sea, and the start of our field development contract for BHP in Trinidad will benefit the second half of this year. Significantly, enquiry levels for our marginal field development capability have recovered after a slow period, indicating increased confidence and renewed interest within our clients.

Strategic direction: Expro has an international reputation for quality and service. Our global operating footprint allows us to perform our activities throughout most of the hydrocarbon regions of the world. However, this widespread capability leads to a relatively high cost base from which we aim to generate increasing returns by delivering revenue growth. With this as a key objective we have critically reviewed our strategic direction in the following three areas with aggressive implementation underway, to ensure that we are able to leverage the maximum capability from our assets.

Geographic restructuring. Close examination of Expro's geographic structure has highlighted the opportunity to realign our efforts towards large markets with material growth prospects. Consequently, in October 2003 we made significant structural adjustments to enable Expro to address markets in the Former Soviet Union (FSU) and the Middle East (ME). This was achieved with minimal disruption and negligible cost by focusing available management capacity through the restructuring of existing geographic regions.

First, our European region, with over 1,000 employees, will now extend its considerable capabilities to developing the emerging FSU market. The new Europe/FSU region will assist our clients in establishing their positions within this technology hungry market, as well as focus on the wider North Sea opportunities arising from the changing client base. Both areas share common requirements for field rejuvenation where we have continually demonstrated the ability to deliver value to our clients.

Secondly, in recognition of the potential of the changing Middle East market, we will significantly increase our focus while adding our relatively fragmented Asia business to create an Africa/Asia/ME region under a single management structure.

Finally, the strategically important Americas region, based in Houston, is set to benefit from our efforts to reduce our dependence on the shallow Gulf of Mexico market through a combination of new technology and market focus. We believe that the shallow offshore market will continue to be subdued, so we have re-engineered our portfolio with the introduction, and exploitation, of our advanced cased hole perforation technology EXcape™. This unique system is aimed at the mass land markets where it is rapidly gaining acceptance as a leading technique for the development of gas wells in hard rock areas. We believe there is significant market potential for this new product.

We continue to participate in the highly influential deepwater Gulf of Mexico where clients view local performance as a key requirement for acceptance on their global deepwater projects. The successful introduction of our ultra deepwater Electro-hydraulic tools have allowed us to access projects previously beyond our technical capability. This will assist us in other key ultra deepwater markets such as West Africa.

Technology introduction. Expro has always enjoyed a reputation for introducing high value technology. The aforementioned EXcape™ and our ultra deepwater subsea tools are current examples which have further applications beyond the domestic United States. Maintaining our technological leadership will be key to improving margins within the business. A recently agreed Joint Industry Project between Expro, bp and ChevronTexaco to fully determine the feasibility of our unique Rigless subsea well intervention system is evidence of our continued industry leading position. This system has the theoretical capability to transform the economics of deepwater field developments. This joint funded project will determine capability, economics and time to market. Expro will continue to focus its expertise and efforts on technology development which delivers significant value to our clients, providing us with a sustainable growth profile and competitive advantage within our chosen markets.

Effective Sales and Marketing remain key to the successful exploitation of our product portfolio. Dynamic sales and focused marketing are not to be underestimated in our sector. In this area we are making positive changes to better address the needs of our clients. The introduction of a global client intelligence system, tracking and transferring knowledge through the group, has been introduced under the direction of our first Sales Director. The benefit to our operating regions will follow as we populate the system and enable increased knowledge transfer across the group.

Outlook: The management remain focused on enhancing the position of the group for the longer term. In particular, the group's larger clients are now more focused on well activities following a relatively inactive period dominated by political uncertainty, mergers and consolidation. In the North Sea, the new breed of independents is becoming increasingly active, requiring assistance and offering a very broad scope of opportunity for Expro. These changes to our markets demand changes to our approach and position in the industry.

The management is clear about the challenges it faces. We have critically reviewed our strategic direction with regards to geographic structure, technology and sales and marketing, with an aggressive implementation plan underway. The changes being put in place will provide a strong platform from which to respond to these challenges and to profitably grow the business through the cycle.

Dr Chris Fay, CBE
Chairman

Graeme Coutts
Chief Executive Officer

2 December 2003

GROUP PROFIT AND LOSS ACCOUNT

for the six months ended 30 September 2003

	Note	**Unaudited Six months ended 30 September 2003 £000's**	Unaudited Six months ended 30 September 2002 £000's	Audited Year ended 31 March 2003 £000's
Turnover:				
Group and share of joint ventures		**97,556**	111,416	209,232
Less: share of joint ventures		**(6,367)**	(2,987)	(5,743)
Group turnover	2	**91,189**	108,429	203,489
Operating profit before goodwill amortisation		**8,027**	15,371	24,770
Goodwill amortisation		**(1,144)**	(1,242)	(2,388)
Operating profit		**6,883**	14,129	22,382
Operating profit:				
Group		**5,877**	13,819	21,660
Share of joint ventures		**1,006**	310	722
Total		**6,883**	14,129	22,382
Exceptional gain on partial sale of interest in business on formation of joint venture	6a	**–**	–	16,550
Exceptional loss on termination of discontinued operations	6b	**–**	(472)	(489)
Less: prior year provision	6b	**–**	718	735
Profit on ordinary activities before finance charges		**6,883**	14,375	39,178
Finance charges (net)		**(1,312)**	(2,615)	(4,794)
Profit on ordinary activities before tax		**5,571**	11,760	34,384
Tax on profit on ordinary activities	3	**(2,418)**	(3,627)	(9,390)
Profit on ordinary activities after tax		**3,153**	8,133	24,994
Minority equity interests		**(17)**	(45)	(20)
Profit for the period		**3,136**	8,088	24,974
Dividends paid and proposed	4	**(2,511)**	(2,514)	(7,210)
Retained profit for the period		**625**	5,574	17,764
Earnings per ordinary share:				
Basic	5	**4.7p**	12.3p	37.8p
Diluted	5	**4.7p**	12.2p	37.7p
Basic before goodwill amortisation and exceptional items	5	**6.5p**	13.8p	22.1p

Total recognised gains and losses for the six months ended 30 September 2003 comprise the profit for the period of £3,136,000 and a net loss of £1,375,000 on foreign currency translation and overseas borrowings (six months ended 30 September 2002 loss of £3,123,000; year ended 31 March 2003 loss of £2,784,000.)

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Group Balance Sheet

at 30 September 2003

	Unaudited 30 September 2003 £000's	Unaudited 30 September 2002 £000's	Audited 31 March 2003 £000's
Intangible fixed assets and goodwill	**36,897**	40,215	39,114
Tangible fixed assets and investments	**71,295**	74,908	71,842
Investments in joint ventures:			
– share of gross assets	**18,970**	12,875	12,474
– share of gross liabilities	**(14,140)**	(10,478)	(8,392)
– goodwill	**863**	963	932
	5,693	3,360	5,014
Fixed assets	**113,885**	118,483	115,970
Stocks and work-in-progress	**11,316**	11,818	10,392
Debtors – due within one year	**74,047**	68,751	61,402
– due after one year	**–**	8,775	8,775
Cash at bank and in hand	**16,082**	4,514	28,104
Current assets	**101,445**	93,858	108,673
Creditors due within one year	**(50,103)**	(46,020)	(52,314)
Net current assets	**51,342**	47,838	56,359
Total assets less current liabilities	**165,227**	166,321	172,329
Creditors due after more than one year	**(64,846)**	(77,585)	(70,844)
Provisions for liabilities and charges	**(2,668)**	(2,827)	(3,039)
Net assets	**97,713**	85,909	98,446
Called-up share capital	**6,615**	6,613	6,615
Share premium account and capital reserve	**61,674**	61,643	61,674
Profit and loss account	**29,384**	17,605	30,134
Shareholders' funds being equity interests	**97,673**	85,861	98,423
Minority equity interests	**40**	48	23
Total capital and reserves	**97,713**	85,909	98,446

Group Cash Flow Statement

for the six months ended 30 September 2003

	Note	**Unaudited Six months ended 30 September 2003 £000's**	Unaudited Six months ended 30 September 2002 £000's	Audited Year ended 31 March 2003 £000's
Net cash inflow from operating activities	7	**11,831**	23,257	53,129
Finance charges (net)		**(1,692)**	(3,044)	(5,352)
Taxation		**(5,440)**	(3,368)	(6,993)
Capital expenditure and financial investment		**(8,021)**	(8,841)	(12,874)
Acquisitions and disposals		**–**	–	18,979
Equity dividends paid		**(4,700)**	(4,685)	(7,197)
Net cash (outflow)/inflow before financing		**(8,022)**	3,319	39,692
Financing		**(4,000)**	1,867	(5,320)
(Decrease)/increase in cash in the period		**(12,022)**	5,186	34,372

1. The results for the six months to 30 September 2003 and the comparative results for the six months to 30 September 2002 have not been audited by the company's auditors or reviewed in accordance with APB Bulletin 1999/4. They have been prepared on a basis consistent with the accounting policies set out in the statutory accounts for the year ended 31 March 2003. The comparative figures for the year ended 31 March 2003 do not constitute statutory accounts for the purpose of Section 240 of the Companies Act 1985 and have been extracted from the company's published accounts, a copy of which has been delivered to the Registrar of Companies and on which an unqualified audit report has been made by the auditors under Section 235 of the Companies Act 1985.

2. *Segmental Information*

Business Stream	**Unaudited Six months ended 30 September 2003 £000's**	Unaudited Six months ended 30 September 2002 £000's	Audited Year ended 31 March 2003 £000's
Cased Hole Services	**41,307**	41,493	77,614
Subsurface Systems	**17,569**	31,642	56,786
Surface & Environmental Systems	**32,313**	35,294	69,089
Group turnover	**91,189**	108,429	203,489
Subsurface Systems joint ventures	**3,261**	–	–
Surface & Environmental Systems joint ventures	**3,106**	2,987	5,743
Total turnover	**97,556**	111,416	209,232

Geographical area	**Unaudited Six months ended 30 September 2003 £000's**	Unaudited Six months ended 30 September 2002 £000's	Audited Year ended 31 March 2003 £000's
Europe/FSU[a]	**42,953**	50,650	88,121
Africa/ME[b]	**23,504**	24,885	50,604
Asia Pacific	**10,663**	13,102	25,975
Africa/Asia/ME[b]	**34,167**	37,987	76,579
Americas	**20,436**	22,779	44,532
Total turnover	**97,556**	111,416	209,232
Share of joint ventures	**(6,367)**	(2,987)	(5,743)
Group turnover	**91,189**	108,429	203,489

[a] FSU – Former Soviet Union
[b] ME – Middle East

The geographical segments have been revised from those presented in the audited financial statements for the year ended 31 March 2003 as a result of the geographic repositioning of the group as explained in the Chairman's and Chief Executive's statement.

Notes to the Interim Results

continued

3. Tax on profit on ordinary activities

Tax on profits on ordinary activities has been calculated based on an estimated weighted average tax rate for the year ended 31 March 2004 and includes foreign tax of £1,934,000 (six months ended 30 September 2002 £3,193,000; year ended 31 March 2003 £8,384,000). The weighted average tax charge for the period on profit on ordinary activities is 43.4%. This is compared to the weighted average standard rate of UK and foreign tax of 28.9% with the difference largely attributable to expenses not deductible for tax purposes and the impact of unrelieved foreign losses in locations where the future utilisation of those losses is not sufficiently certain as to justify their recognition.

Tax on profits on ordinary activities includes tax on profits of joint ventures of £42,000 (six months ended 30 September 2002 £nil; year ended 31 March 2003 £nil).

4. Dividends paid and proposed

An interim dividend of 3.8 pence per ordinary share is declared for payment on 30 January 2004 (six months ended 30 September 2002 3.8p; year ended 31 March 2003 10.9p).

5. Earnings per ordinary share

The calculations of earnings per share are based on the following profits and numbers of shares.

	Unaudited Six months ended 30 September 2003 £000's	Unaudited Six months ended 30 September 2002 £000's	Audited Year ended 31 March 2003 £000's
Profit for the period for Basic and Diluted earnings per share	**3,136**	8,088	24,974
Goodwill amortisation	**1,144**	1,242	2,388
Exceptional gain after tax on partial sale of interest in business on formation of joint venture	**–**	–	(12,514)
Exceptional gain on discontinued operations	**–**	(246)	(246)
Earnings before goodwill and exceptional items	**4,280**	9,084	14,602

	Number of shares 30 September 2003	Number of shares 30 September 2002	Number of shares 31 March 2003
Weighted average number of shares ranking for dividend used for Basic earnings per share	**66,075,394**	65,994,894	66,034,624
Dilutive effect of share options:			
– Executive Share Scheme	**24,628**	34,633	88,222
– Employee Share Scheme	**–**	161,613	41,254
Weighted average number of shares used for Diluted earnings per share	**66,100,022**	66,191,140	66,164,100

The directors believe that the presentation of basic earnings per share before goodwill amortisation and exceptional items assists with understanding the underlying performance of the group.

continued

6. Exceptional items

a. Exceptional gain on partial sale of interest in business on formation of joint venture

During the prior year the group transferred its permanent monitoring business into a newly formed joint venture enterprise, QuantX Wellbore Instrumentation comprising three joint venture companies. In consideration for a 50% holding in the joint venture companies, Baker Hughes Inc. paid the group £18,979,000 cash which resulted in a realised exceptional gain before tax of £16,550,000. Tax on the exceptional gain was £4,036,000. As a result of this transaction, the group and Baker Hughes Inc. each hold 50% in each of the joint venture companies. At any time after 31 March 2004, the group has the option to sell to Baker Hughes Inc., and Baker Hughes Inc. has the option to purchase from the group, all of the group's remaining equity interests in the joint venture companies at a price based on the adjusted earnings for the year immediately prior to the exercise of the option.

b. Exceptional profit/(loss) on termination of discontinued operations

During the prior year the group completed the closure of its cased hole services business in Venezuela with the final charges and associated provisions recorded resulting in an exceptional profit from the release of excess provisions.

7. Cash flow information

Reconciliation of operating profit to net operating cash inflow

	Unaudited Six months ended 30 September 2003 £000's	Unaudited Six months ended 30 September 2002 £000's	Audited Year ended 31 March 2003 £000's
Operating profit	**5,877**	13,819	21,660
Depreciation and amortisation	**9,472**	9,377	19,933
(Profit)/loss on sale of tangible fixed assets	**(28)**	21	133
(Increase)/decrease in stocks and work-in-progress	**(924)**	255	(437)
(Increase)/decrease in debtors	**(3,940)**	6,889	15,809
Increase/(decrease) in creditors and provisions	**1,374**	(7,193)	(4,058)
Exceptional cash inflow related to termination of discontinued operations (note 6b)	**–**	89	89
Net cash inflow from operating activities	**11,831**	23,257	53,129

Analysis of net debt

	Audited 1 April 2003 £000's	Cash flow £000's	Other non-cash changes £000's	Unaudited 30 September 2003 £000's
Cash at bank and in hand	28,104	(12,022)	–	16,082
Debt due after one year	(70,528)	4,000	1,983	(64,545)
	(42,424)	(8,022)	1,983	(48,463)

Other non-cash changes represent foreign exchange revaluations of foreign currency loans.

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Visit our Website for more information about the Group:

www.exprogroup.com

Copies of these unaudited interim results will be sent to registered shareholders.

Further copies can be obtained from the Company Secretary,
Expro International Group PLC, Reading Bridge House, Reading, Berkshire RG1 8PL