

14 December 2016

Pre-close trading update for the year to 31 December 2016

Financial performance highlights

Oil and gas markets remain challenging in 2016. Lower oil prices have endured and activity has fallen across the sector. In response, we have significantly reduced our cost base, worked alongside customers to improve efficiency and refined our operating structure to enhance customer delivery<sup>1</sup>.

We anticipate full year 2016 financial performance in line with current market expectations<sup>2</sup>. Our balance sheet remains strong and our intention remains to increase the dividend for 2016 by a double digit percentage.

Looking ahead, the market continues to present significant challenges and although these are likely to persist during 2017, in selected markets we do see indications of modest recovery. We are confident that our focus on delivering value through our asset life cycle and specialist technical solutions, together with our customer relationships, global footprint and strong financial footing position us well.

#### Asset Life Cycle Solutions

##### Western Hemisphere

(c40% of Total Revenue)

Operations and Maintenance activity is up on 2015 due to the impact of Infinity and Kelchner acquired in 2015 more than offsetting lower underlying activity. Our US onshore shale business has been significantly impacted but remains the largest contributor to this service line in the West. We are encouraged by the positive rig count movement in the second half of 2016, although we have yet to see any significant improvement in activity. We are confident that our differentiated capability in the Permian, Eagle Ford, Marcellus & Utica and Bakken basins will benefit us as the market recovers. We are seeing a good contribution from our work in the

Our Operations & Maintenance activities faced a tough market in the North Sea for operations and maintenance work, which is down on 2015. We are maintaining our leading position, having renewed a majority of contracts over the last 18 months which secures access to work as volumes recover. We are well placed

