HALF YEAR REPORT 2018

HUNTING IS A SUPPLIER TO THE UPSTREAM OIL AND GAS INDUSTRY.

OUR STRATEGY IS TO MANUFACTURE PRODUCTS AND DELIVER SERVICES TO OUR CUSTOMERS WHEREVER IN THE WORLD THEY ARE OPERATING.

HUNTING'S PRODUCT OFFERING EXTENDS ACROSS THE LIFE CYCLE OF AN OIL AND GAS WELL, AND THIS FOCUS ALLOWS US TO CREATE, DISTRIBUTE AND SUSTAIN VALUE FOR OUR SHAREHOLDERS.

HUNTING IS QUOTED ON THE LONDON STOCK EXCHANGE AND IS A CONSTITUENT OF THE FTSE 250 INDEX.

Contents

Cover: The Hunting Ballistic Release Tool, designed for long lateral wellbores, typical of shale formations.

HUNTING PLC, THE INTERNATIONAL ENERGY SERVICES GROUP, ANNOUNCES ITS RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018.

Group Review

Introduction

Hunting's performance in the first six months of the year has been driven by strong activity in the US onshore shale basins and improving offshore sentiment in North America. Increased revenues have improved operating leverage and this, combined with improved machine and facility utilisation, resulted in a return to profit and strong margin percentage growth.

With the WTI oil price trading in the range of c.$60 to $75 per barrel, demand for hydraulic fracturing equipment, including Hunting's proprietary perforating systems, energetic charges and instrumentation, has exceeded management's expectations, as North American operators progressed the development of their onshore portfolios.

This market environment has led to significant improvements in revenue and profitability in the Hunting Titan and US segments. Revenues for Canada and Asia Pacific have improved and losses have reduced. In Europe, revenues are down and losses have increased given the continued low activity levels in the North Sea. Losses in the Middle East and Africa have been reduced following the closure of the Cape Town operation.

Overall, the Group reports a 39% increase in period-on-period revenue to $442.8m (H1 2017 – $318.1m), underlying EBITDA of $72.6m (H1 2017 – $11.9m) and an underlying profit from operations of $53.5m (H1 2017 – $9.3m loss).

Based on this improved financial performance and full-year outlook, the Board is resuming shareholder distributions, with an interim dividend of 4.0 cents per share being declared, which will absorb $6.6m of cash and be paid on 24 October 2018.

Operational Initiatives

Since the year end, Hunting has continued to review its global operating footprint and international presence. As announced at the end of 2017, the Group closed its facility in South Africa, however it is maintaining a regional sales office in Cape Town.

Management has reviewed its joint venture in Kenya and, given the modest drilling activity forecast for East Africa in the medium term, has closed its facility in Mombasa, Kenya to save costs and curtail trading losses.

At the end of the period, Hunting had 34 manufacturing facilities (31 December 2017 – 35) and 21 distribution centres (31 December 2017 – 21) following the review of the Group's operational footprint.

An ongoing initiative across the Group has been to continue the drive to increase facility utilisation by insourcing production. Hunting Titan's perforating systems are now manufactured by business units in the Asia Pacific, Canada and US segments. Instrumentation components for Hunting Titan have also been insourced to the US Electronics business, retaining margin within the Group.

During the period, the Group has also continued to develop and commercialise new products to address the requirements of the recovering market.

– *Hunting Titan:* The business continues to develop its Autonomous Tool in collaboration with ExxonMobil and in H2 2018 plans to launch a cutting tool based on the technology. Hunting Titan is also developing a second generation H-1 Perforating System for launch in Q1 2019. Other products to be commercialised during the year include a next generation EQUAfrac™ shaped charge, a new Electronic Release Tool and a Magnetic Orientating Tool.
– *Premium Connections:* Since the start of the year, Hunting's Premium Connections business has broadened the suite of TEC-LOCK™ connections for use in onshore operations. The business has commercialised the TEC-LOCK BTC™, BTC-S™ and Wedge™ connection families and is seeing good customer acceptance of these product lines. The Premium Connections business has also increased the size ranges of the WEDGE-LOCK™ and SEAL-LOCK XD™ families to address new deepwater and international market applications.

Hunting's Advanced Manufacturing Group has also seen market acceptance of its integrated downhole tool manufacturing and assembling capability. In the period, the Group received and completed orders for an integrated tool, which combines the precision machining and electronic assembly expertise of Hunting's Manufacturing, Electronics, Hunting Specialty and Hunting Titan units.

Hunting Titan has commenced an investment programme to increase production capacity at its Milford and Pampa facilities. As part of this programme, a number of processes in the manufacture of perforating guns and energetic charges are being automated to improve production efficiencies and lower costs.

Outlook

The global oil and gas market experienced improved stability during the first half of the year, primarily due to the oil and gas price, which has continued to encourage investment in new drilling programmes and further development of US onshore portfolios.

For the remainder of the year, management anticipate that activity will continue at current levels within US onshore basins, while US offshore and international drilling will continue to slowly improve. However, it is likely that geopolitical and international trading headwinds, including ongoing inter-government dialogue on trade tariffs, will continue to suppress the rate of recovery, particularly within international markets.

Management, therefore, remains cautious on the performance of the Group's businesses outside of North America, with Hunting Titan and the US segment contributing positively to Hunting's full-year outturn and more than offsetting the trading losses of the Group's other segments. The Board remains comfortable with current full-year market consensus as the Group continues to trade in line with expectations.

Results from Operations

Basis of Preparation

The Group adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments as of 1 January 2018. As a result of these new standards, the 2017 half year and full year financial statements have been restated for the adoption of IFRS 15. IFRS 9 has been adopted without restating comparative information. Note 16 explains the impact of the adoption on the Group's financial statements.

EBITDA, Working Capital, Gearing and Free Cash Flow are non-GAAP measures ("NGM"). The definition and calculation of these measures can be found on pages 37 and 38 of this report. For further information on the non-GAAP measures used by the Group, please refer to the 2017 Annual Report and Accounts.

Revenue

Revenue from operations for the six months ended 30 June 2018 increased by 39% to $442.8m compared to the prior period (H1 2017 – $318.1m).

With the exception of the Group's European and Exploration and Production segments, all regional businesses recorded a period-on-period increase in segmental revenue, reflecting the improving global market environment. Hunting Titan and the US operations reported a period-on-period increase in segmental revenue of 62% and 52% respectively, as onshore drilling increased the demand for equipment and services, leading both segments to report profitability.

The increase in inter-segment revenue from $13.1m in H1 2017 to $51.7m in the current period reflects the greater levels of in-house production of Perforating Systems and Well Intervention components, which were previously outsourced, combined with a general increase in activity levels.

Profit Measures

Gross profit increased by 94% to $137.3m in the period (H1 2017 – $70.8m), on an improved gross margin of 31% (H1 2017 – 22%).

Underlying EBITDA was $72.6m, against $11.9m in H1 2017, with EBITDA margin improving to 16% compared to 4% in the prior period.

Underlying profit from operations was $53.5m (H1 2017 – $9.3m loss). Following the charge for amortisation, as noted below, the reported profit from operations was $38.9m (H1 2017 – $23.9m loss). Net finance expense was $0.9m (H1 2017 – $1.1m).

Underlying profit before tax from operations was $52.6m (H1 2017 – $10.9m loss) and reported profit before tax from operations was $38.0m (H1 2017 – $25.5m loss).

Reported profit after tax from operations was $30.7m (H1 2017 – $25.4m loss).

Amortisation and Exceptional Items

The charge before tax for amortisation of acquired intangible assets in the period was $14.6m (H1 2017 – $14.6m).

During the period, the Group reversed an impairment charge for PPE of $2.0m for the South African manufacturing facility. A $1.0m write-down for Kenya's property, plant and equipment, a loss on disposal of Kenya's rental fleet of $0.5m and a provision of $0.5m for costs relating to the closure of the Kenya joint venture have been recognised in the period. There were no exceptional items in H1 2017.

Taxation

The underlying tax charge on operations was $10.9m (H1 2017 – $0.1m credit) and reflects an effective tax rate of 21% (H1 2017 – nil). Amortisation of acquired intangible assets and exceptional items in the period attracted a tax credit of $3.6m (H1 2017 – $nil). The reported tax charge on operations was therefore $7.3m (H1 2017 – $0.1m credit).

Dividend

The Board is pleased to announce the recommencement of shareholder distributions and is declaring an interim dividend of 4.0 cents per share (H1 2017 – nil) amounting to an estimated cash distribution of $6.6m.

The dividend will be paid in Sterling on 24 October 2018 and the Sterling value of the dividend payable per share will be fixed and announced approximately two weeks prior to the payment date, based on the average spot exchange rate over the three business days preceding the announcement date. The dividend will be paid to those shareholders on the register at the close of business on 5 October 2018, with an ex-dividend date of 4 October 2018.

Summary Group Results from Operations

	H1 2018 $m	Restated[1] H1 2017 $m
Revenue	**442.8**	318.1
Underlying[2] EBITDA (NGM A)	**72.6**	11.9
Depreciation, impairment and non-acquisition amortisation	**(19.1)**	(21.2)
Underlying[2] profit (loss) from operations	**53.5**	(9.3)
Amortisation of acquired intangible assets and exceptional items (note 4)	**(14.6)**	(14.6)
Reported[2] profit (loss) from operations	**38.9**	(23.9)
Underlying[2] Diluted EPS (note 6)	**25.0c**	(6.8)c
Reported[2] Diluted EPS (note 6)	**19.1c**	(15.8)c
Underlying[2] Basic EPS (note 6)	**26.1c**	(6.8)c
Reported[2] Basic EPS (note 6)	**19.9c**	(15.8)c

1. 2017 financial data has been restated to reflect the adoption of IFRS 15 Revenue from Contracts with Customers.
2. Underlying results are based on operations before amortisation of acquired intangible assets and exceptional items. Reported results are based on the statutory results for operations as reported under International Financial Reporting Standards.

Group Funding and Position as at the Half Year
Cash Flow
Summary Group Cash Flow

	H1 2018 $m	Restated[1] H1 2017 $m
Underlying EBITDA (NGM A)	**72.6**	11.9
Add: share-based payments	**7.1**	7.1
	79.7	19.0
Working capital movements	**(66.2)**	(31.8)
Net interest paid and bank fees	**(0.4)**	(1.6)
Tax paid	**(1.4)**	(0.1)
Proceeds from disposal of PPE	**10.9**	3.3
Pension scheme refund	**–**	9.7
Disposal of business	**–**	1.8
Other	**(0.5)**	2.2
Free cash flow (NGM D)[2]	**22.1**	2.5
Capital investment	**(11.4)**	(4.5)
Intangible assets investments	**(1.7)**	(1.7)
Other	**(0.4)**	(0.1)
Net cash flow	**8.6**	(3.8)

1. 2017 financial data has been restated to reflect the adoption of IFRS 15 Revenue from Contracts with Customers.
2. The Group's definition of free cash flow has been revised. See NGM D.

The Group reports an underlying EBITDA of $72.6m in the period (H1 2017 – $11.9m), reflecting the improving market conditions in the US, and, in particular, within the onshore drilling segment of North America. When adjusted for non-cash share-based payment charges, cash inflows were $79.7m (H1 2017 – $19.0m).

During the period, the Group recorded a net working capital outflow of $66.2m (H1 2017 – $31.8m outflow). This was mainly driven by increased inventories in the Hunting Titan and US segments reflecting the improving activity levels. Receivable balances also increased in line with trading, with the days sales outstanding unchanged from the year end at 68 days.

In the period, the Group also received $10.9m in respect of the sale of property, plant and equipment, the majority of these proceeds relating to the sale of Hunting's South Africa manufacturing facility in early 2018.

With limited cash outflows for interest and tax payable, the free cash inflow in the period was $22.1m (H1 2017 – $2.5m).

In 2017, the Group's free cash flow included $1.8m from business disposals and the receipt of a $9.7m refund of surplus from the Company's UK Defined Benefit Pension Scheme following the decision to commence the winding down of the Scheme.

Capital investment totalled $11.4m in H1 2018 (H1 2017 – $4.5m), which includes commencement of Hunting Titan's energetic charge and perforating gun production expansion programmes.

Other net cash outflows totalled $0.9m in the period (H1 2017 – $2.1m inflow).

As a consequence of the above cash flows, net cash was $39.0m at 30 June 2018 (31 December 2017 – $30.4m net cash).

Summary Group Balance Sheet

	As at 30 June 2018 $m	Restated[1] As at 31 December 2017 $m
Property, plant and equipment	**365.3**	383.3
Goodwill	**230.1**	230.3
Other intangible assets	**111.0**	125.4
Working capital (NGM B)	**410.0**	344.9
Taxation (current and deferred)	**(12.3)**	(6.0)
Provisions	**(17.0)**	(18.0)
Other net assets	**20.4**	21.8
Capital employed (NGM C)	**1,107.5**	1,081.7
Net cash (note 13)	**39.0**	30.4
Net assets	**1,146.5**	1,112.1
Non-controlling interests	**(16.4)**	(18.8)
Equity attributable to owners of the parent	**1,130.1**	1,093.3

1. 2017 financial data has been restated to reflect the adoption of IFRS 15 Revenue from Contracts with Customers.

Net assets reported at 30 June 2018 of $1,146.5m were materially unchanged compared to the position at 31 December 2017 of $1,112.1m. The net increase of $34.4m comprises the $30.7m retained profit for the period, $6.8m in relation to share awards and other items of $1.4m, offset by $4.5m of foreign exchange adjustments.

Exchange Rates
Average exchange rates used to translate Sterling and Canadian dollar denominated results into US dollars were £0.7271 (H1 2017 – £0.7948) and Can$1.2778 (H1 2017 – Can$1.3345). Spot exchange rates for Sterling and Canadian dollar at 30 June 2018 were £0.7574 and Can$1.3155, at 30 June 2017 were £0.7698 and Can$1.2987, and at 31 December 2017 were £0.7392 and Can$1.2530 respectively.

Segmental Trading Review

Hunting Titan

Hunting Titan has reported a 62% period-on-period increase in segmental revenue to $216.7m (H1 2017 – $133.4m), leading to an underlying profit from operations of $57.3m (H1 2017 – $19.1m). The reported profit from operations was $44.3m (H1 2017 – $6.1m).

During the period, Hunting Titan reported a number of record months in terms of revenue and profit, which has been driven by strong US onshore completions activity, coupled with the increased commercialisation of proprietary technologies including the H-1 Perforating System, EBFire™ and ControlFire™ switches and EQUAfrac™ charges.

The manufacture of Hunting Titan perforating guns has been extended across the wider Group's international manufacturing footprint, which has enabled the business to increase production capacity, while also increasing its competitiveness within certain product segments. The production of the H-1 Perforating System is now focused at the Group's Pampa and Oklahoma City, US, facilities, while other perforating gun ranges are manufactured at Group facilities in Canada, China and the US. Additional H-1 Perforating System manufacturing capacity is being added to the Pampa facility and is forecast to be fully operational by Q1 2019.

Monthly production of shaped charges averaged 751,000 during the first six months of the year, representing an increase of 21% over the prior period in 2017. To address market demand, Hunting is investing $11.9m to expand the Group's shaped charge manufacturing facility in Milford, Texas. The investment introduces higher levels of automation, which will reduce production costs. The expansion programme is due to complete in Q2 2019.

Hunting Titan's Instrumentation division reports an 81% increase in sales compared to H1 2017, driven by stronger demand for logging and perforating instruments for downhole tools within US onshore markets.

Key areas of international future growth include China, where domestic drilling is increasing strongly and western technologies for hydraulic fracturing operations are being adopted, as well as new opportunities across the Middle East, where the Group's sales presence and reputation is well established. In South America, Hunting Titan's product offering has also recorded good sales growth in Argentina and Colombia.

Hunting Titan's manufacturing and distribution footprint has remained unchanged during H1 2018, with five manufacturing facilities and 19 distribution centres. Two new US distribution centres are planned to open in H2 2018 in Pennsylvania and Colorado to address the markets in the Marcellus and Niobrara shale areas.

US

Hunting's US operations reported a 52% period-on-period increase in segmental revenue to $145.8m (H1 2017 – $96.1m), leading to an underlying profit from operations of $7.1m (H1 2017 – $13.4m loss). The reported profit from operations was $5.5m (H1 2017 – $15.0m loss).

The segment has reported strong demand from onshore-focused customers and has seen improved order flow from operators on the US continental shelf in the Gulf of Mexico.

The Group's Premium Connections and Manufacturing businesses have continued the commercialisation of Hunting's TEC-LOCK™ connection, with a steady increase in order flow noted from onshore customers, leading to production being widened to the Group's Ramsey Road, Marrero and Ameriport facilities. Orders for the TEC-LOCK™ connection are also being completed in Canada, with marketing of the connection also to commence shortly in Asia Pacific, where interest has been shown from operators in the Philippines for conventional oil and gas applications, and in Australia for Coal Bed Methane developments. Offshore clients have also increased orders for Hunting's WEDGE-LOCK™ and SEAL-LOCK™ premium connections leading to an increase in the number of shifts at the Group's busier facilities. The Group's Houma facility in Louisiana has also increased its utilisation levels with the production of perforating guns for Hunting Titan and a pick up in international completion business, including a recent order from Guyana.

Segmental Results from Operations

	H1 2018			H1 2017[1]		
Business Unit	**Revenue $m**	**Underlying[2] profit (loss) from operations $m**	**Reported[2] profit (loss) from operations $m**	Revenue $m	Underlying[2] profit (loss) from operations $m	Reported[2] profit (loss) from operations $m
Hunting Titan	**216.7**	**57.3**	**44.3**	133.4	19.1	6.1
US	**145.8**	**7.1**	**5.5**	96.1	(13.4)	(15.0)
Canada	**21.7**	**(1.3)**	**(1.3)**	15.8	(1.9)	(1.9)
Europe	**45.0**	**(5.6)**	**(5.6)**	47.2	(4.3)	(4.3)
Asia Pacific	**51.2**	**(1.5)**	**(1.5)**	29.4	(4.6)	(4.6)
Middle East, Africa and Other	**12.6**	**(1.7)**	**(1.7)**	7.3	(3.7)	(3.7)
Exploration and Production	**1.5**	**(0.8)**	**(0.8)**	2.0	(0.5)	(0.5)
Inter-segment elimination	**(51.7)**	**–**	**–**	(13.1)	–	–
Group	**442.8**	**53.5**	**38.9**	318.1	(9.3)	(23.9)

1. 2017 financial data has been restated to reflect the adoption of IFRS 15 Revenue from Contracts with Customers.
2. Underlying results are based on operations before amortisation of acquired intangible assets and exceptional items. Reported results are based on the statutory results for continuing operations as reported under International Financial Reporting Standards.

Hunting's US Drilling Tools operation continues to benefit from better onshore activity levels, supported by increasing rig counts in the Permian, Williston, Marcellus and Utica shale basins. The business has seen improved utilisation levels for its mud motor fleet following the introduction of a new mud lube design in 2017 providing longer life and lower maintenance costs.

The Advanced Manufacturing Group reports improved performance since the year-end as demand for new MWD/LWD tools, including steel housings and electronic components, increased with activity levels principally in the US. The Group reports new enquiries from Asia Pacific, as the international market stabilises. Further, the Electronics business has increased the manufacture of Hunting Titan components, including firing switches, leading to improved profitability compared to the prior period in 2017. As noted above, the Advanced Manufacturing Group, in collaboration with Hunting Titan, Hunting Specialty and Manufacturing business units, has received and completed a number of orders for a fully assembled integrated downhole tool. More orders for this capability have been received and are to be completed in the balance of the year.

Hunting Specialty has reported good results in the first six months of the year as US onshore drilling continues to improve. The business has seen good order flow from customers operating in the Texas shale basins and has also supported Hunting Titan in manufacturing components previously outsourced.

Hunting Subsea continues to report subdued demand from the offshore drilling segment of the market, however, visibility on future projects has improved in recent months as international markets continue to stabilise. During the period, the business has commenced work on projects with the Advanced Manufacturing Group to diversify its revenue streams.

Hunting's Trenchless business has reported good progress in H1 2018, recording modest profitability as sales increased with a key partner. New mud motor sizes are also being developed, which will broaden the business's offering to clients. Further, plans to introduce the Group's products into Europe are being progressed, utilising Hunting's Netherlands facility for final assembly and stocking.

Canada
Hunting's Canadian operations have reported a 37% period-on-period increase in segmental revenue to $21.7m (H1 2017 – $15.8m). Despite this, the segment reports underlying and reported losses from operations of $1.3m (H1 2017 – $1.9m loss).

The performance of the Group's Canadian segment continues to be impacted by relatively low levels of drilling rig utilisation, the lack of pipeline infrastructure from production in Western Canada and the price discount for crude oil being achieved for domestic output. Given this market environment, competition between suppliers has remained strong in the period, with many customers selling at a loss to maintain market share for certain product lines. While the business has continued to support its key customers during H1 2018 for OCTG and accessories manufacturing work, a key development in the reporting period has been to further increase production capacity of perforating gun manufacturing for Hunting Titan. New machinery has been installed and commissioned, which will improve manufacturing efficiencies and reduce gun manufacturing costs.

Europe
Hunting's European operations have reported a 5% period-on-period decrease in segmental revenue to $45.0m (H1 2017 – $47.2m). This reduced performance reflects continued low rig counts in the UK North Sea together with non-recurring sales that were completed in H1 2017. Given this challenging market environment the business has reported underlying and reported losses from operations of $5.6m (H1 2017 – $4.3m loss).

The segment continues to be impacted by projects being delayed across the region. Despite this, in H1 2018 the OCTG business renewed its contract with Spirit Energy against strong competition, to support ongoing drilling and development work. In addition, contract extensions with CNR and Apache have been agreed, which will support activity in Aberdeen for the remainder of the year.

The business group has launched a number of new product initiatives during the period, which will see Hunting working with regional partners to commercialise new products across the region. At the time of publication, new initiatives included enhanced oil recovery technologies, which align with the UK Government's strategic initiative to increase recovery from established fields in the North Sea.

In Norway, drilling activity levels and investment are increasing, as independent operators start new projects on the Norwegian Continental Shelf, with tenders for OCTG and accessories planned in the coming months.

Asia Pacific
Hunting's Asia Pacific operations have reported a 74% increase in segmental revenue to $51.2m (H1 2017 – $29.4m) and underlying and reported losses from operations of $1.5m (H1 2017 – $4.6m loss).

As the crude oil price increased during the reporting period, enquiry levels have improved leading to a more stable outlook for the Group's Asia Pacific business.

Activity has increased in China, predominantly as domestic OCTG orders have been completed, along with the increase in production of perforating guns for Hunting Titan.

In Singapore, orders have been completed for customers operating in the Middle East and Africa, while in Indonesia the market remains subdued.

While the number of tenders is increasing throughout the region, competition remains strong. Further, the segment anticipates an improving market in H2 2018 for drilling accessory work as certain customers increase their commitments across the region.

Middle East, Africa and Other

Hunting's Middle East operations have reported a 73% increase in segmental revenue to $12.6m (H1 2017 – $7.3m) and underlying and reported losses from operations of $1.7m (H1 2017 – $3.7m loss).

The business has seen an increase in Thru-Tubing well intervention work in Iraq during the reporting period, reflecting a wider increase in demand for work across the region. Sales of OCTG have also improved as operators increase drilling activity. Activity levels within Hunting's Saudi Arabia joint venture continue to improve, as local sourcing initiatives of equipment and services are implemented by Saudi Aramco. The JV's order book has steadily improved throughout H1 2018.

As previously noted, the Group closed its Mombasa, Kenya facility in June 2018, given the medium-term outlook from trading opportunities in East Africa. Closure of the facility will reduce trading losses within the segment, which in the full year 2017 amounted to an operating loss of $1.2m. Following the closure of the Cape Town manufacturing facility, announced in December 2017, the Company has opened a sales office in Cape Town in order to maintain a presence and service clients in sub-Sahara Africa. The segment now has two manufacturing facilities in operation.

Board Changes

On 18 April 2018, John Nicholas retired from the Group as a non-executive Director following completion of nine years' service.

On 23 April 2018, Carol Chesney and Keith Lough were appointed as independent non-executive Directors of the Company. Mrs Chesney was appointed as Chair of the Audit Committee, following Mr Nicholas' retirement.

On 30 August 2018, John Hofmeister also retired from the Group after nine years' service. In compliance with section 430(2B) of the Companies Act 2006, Mr Hofmeister will shortly receive all relevant fees up to today's date in respect of his role, with no further payments due to him after his retirement date.

Following Mr Hofmeister's retirement, Annell Bay has been appointed Chair of the Remuneration Committee and Keith Lough has been appointed Senior Independent Director.

The Board extends its thanks to Messrs Nicholas and Hofmeister for their contributions and wise counsel since 2009.

Formation of Executive Committee

The Group has formed an Executive Committee effective from 30 August 2018 comprising senior executives of the Group. Details of the Executive Committee's operations and responsibilities will be incorporated into the 2018 Annual Report. All members of the Executive Committee are deemed to be "Persons Discharging Managerial Responsibility" ("PDMRs"). Hunting PLC's PDMRs therefore comprise all members of the Hunting PLC Board, plus:

Rick Bradley – Chief Operating Officer
Jason Mai – Managing Director, Hunting Titan
Scott George – Managing Director, US
Chris Wallace – Managing Director, Canada
Bruce Ferguson – Managing Director, Europe
Daniel Tan – Managing Director, Asia Pacific
Sean O'Shea – Managing Director, Middle East

Principal Risks and Uncertainties Facing the Business

The Group has an established risk management reporting framework, as detailed in the Group's 2017 Annual Report and Accounts on pages 47 and 48, which includes the requirement for all businesses to identify, evaluate and monitor risks and take steps to reduce, eliminate or manage the risk.

There are a number of principal risks that 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. The principal risks are: commodity prices; shale drilling; competition; loss of key executives; geopolitics; health, safety and environmental laws; and product quality and reliability. Details of those principal risks facing the Group are on pages 51 to 54 of the Group's 2017 Annual Report and Accounts.

The Directors do not consider that the principal risks have changed significantly since the publication of the 2017 Annual Report and Accounts, and as such, these risks continue to apply to the Group for the remaining six months of the financial 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. As 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.

John Glick
Chairman

Jim Johnson
Chief Executive

30 August 2018

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 2017 Annual Report and Accounts.

The Directors believe that the Half Year Report taken as a whole is fair, balanced and understandable. In arriving at this conclusion the Board considered the opinion and recommendation of the Audit Committee who undertook the following work:

– review of early drafts of the Half Year Report;
– regular review of and discussion over the financial results during the period, including briefings by Group finance; and
– receipt and review of a report from the external auditors.

The Directors of the Company are listed on pages 56 and 57 in Hunting PLC's 2017 Annual Report and Accounts and on the Company's website: www.huntingplc.com.

As noted on page 6, a number of changes to the Company's non-executive Directors have taken place since publication of the 2017 Annual Report and Accounts. Messrs Nicholas and Hofmeister retired on 18 April 2018 and 30 August 2018 respectively, with Mrs Carol Chesney and Mr Keith Lough both being appointed to the Board on 23 April 2018.

On behalf of the Board

Peter Rose
Finance Director

30 August 2018

INDEPENDENT REVIEW REPORT TO HUNTING PLC

Report on the Condensed Consolidated Interim Financial Statements

Our Conclusion

We have reviewed Hunting PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Report of Hunting PLC for the six-month period ended 30 June 2018. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have Reviewed

The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 30 June 2018;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Responsibilities for the Condensed Consolidated Interim Financial Statements and the Review

Our Responsibilities and those of the Directors

The Half Year Report, including the interim financial statements, 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 Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim 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 complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

What a Review of Condensed Consolidated Financial Statements Involves

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, 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.

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 interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London

30 August 2018

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 interim financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.