

CORE LABORATORIES N V  
Form 10-Q  
July 29, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q  
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2011

OR  
.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-14273

CORE LABORATORIES N.V.  
(Exact name of registrant as specified in its charter)

The Netherlands  
(State of other jurisdiction of  
incorporation or organization) Not Applicable  
(I.R.S. Employer Identification No.)

Herengracht 424  
1017 BZ Amsterdam  
The Netherlands Not Applicable  
(Zip Code)  
(Address of principal executive offices)

(31-20) 420-3191  
(Registrant's telephone number, including area code)

None  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller

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reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes  No

The number of common shares of the registrant, par value EUR 0.02 per share, outstanding at July 28, 2011 was 46,585,151.

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CORE LABORATORIES N.V.  
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2011

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

## CORE LABORATORIES N.V.

## CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	June 30, 2011 (Unaudited)	December 31, 2010
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$24,561	\$133,880
Accounts receivable, net of allowance for doubtful accounts of \$3,731 and \$3,396 at 2011 and 2010, respectively	160,208	154,726
Inventories, net	42,508	33,979
Prepaid expenses and other current assets	27,414	26,735
<b>TOTAL CURRENT ASSETS</b>	<b>254,691</b>	<b>349,320</b>
<b>PROPERTY, PLANT AND EQUIPMENT, net</b>	<b>105,126</b>	<b>104,223</b>
<b>INTANGIBLES, net</b>	<b>8,202</b>	<b>8,660</b>
<b>GOODWILL</b>	<b>154,217</b>	<b>154,217</b>
<b>DEFERRED TAX ASSETS, net</b>	<b>6,802</b>	<b>—</b>
<b>OTHER ASSETS</b>	<b>23,195</b>	<b>19,622</b>
<b>TOTAL ASSETS</b>	<b>\$552,233</b>	<b>\$636,042</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$61,331	\$44,710
Accrued payroll and related costs	28,087	28,621
Taxes other than payroll and income	9,116	7,796
Unearned revenue	22,830	20,181
Income tax payable	12,234	21,004
Short-term debt – Senior Exchangeable Notes	89,747	147,543
Other accrued expenses	12,753	9,498
<b>TOTAL CURRENT LIABILITIES</b>	<b>236,098</b>	<b>279,353</b>
<b>DEFERRED COMPENSATION</b>	<b>24,001</b>	<b>21,241</b>
<b>DEFERRED TAX LIABILITIES, net</b>	<b>—</b>	<b>2,198</b>
<b>OTHER LONG-TERM LIABILITIES</b>	<b>37,749</b>	<b>32,046</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>—</b>	<b>—</b>
<b>EQUITY COMPONENT OF SHORT-TERM DEBT – SENIOR EXCHANGEABLE NOTES</b>	<b>2,183</b>	<b>8,864</b>
<b>EQUITY:</b>		
Preference shares, EUR 0.02 par value; 6,000,000 shares authorized, none issued or outstanding	—	—
Common shares, EUR 0.02 par value; 200,000,000 shares authorized, 49,739,912 issued and 46,483,989 outstanding at 2011 and 49,739,912 issued and 45,521,186 outstanding at 2010	1,397	1,397
Additional paid-in capital	—	—
Retained earnings	459,634	536,991
Accumulated other comprehensive income (loss)	(6,055	) (6,207 )
Treasury shares (at cost), 3,255,923 at 2011 and 4,218,726 at 2010	(205,913	) (242,690 )
<b>Total Core Laboratories N.V. shareholders' equity</b>	<b>249,063</b>	<b>289,491</b>

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Non-controlling interest	3,139	2,849
TOTAL EQUITY	252,202	292,340
TOTAL LIABILITIES AND EQUITY	\$552,233	\$636,042

The accompanying notes are an integral part of these consolidated financial statements.

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CORE LABORATORIES N.V.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

	Three Months Ended June 30,	
	2011	2010
	(Unaudited)	
REVENUE:		
Services	\$ 169,756	\$ 153,010
Product sales	56,029	45,892
Total Revenue	225,785	198,902
OPERATING EXPENSES:		
Cost of services, exclusive of depreciation expense shown below	112,001	96,411
Cost of product sales, exclusive of depreciation expense shown below	40,272	32,506
General and administrative expenses	9,757	9,211
Depreciation	5,507	5,430
Amortization	298	336
Other expense, net	147	1,288
OPERATING INCOME	57,803	53,720
Loss on exchange of Senior Exchangeable Notes	210	—
Interest expense	2,499	4,114
Income before income tax expense	55,094	49,606
Income tax expense	14,710	15,244
Net income	40,384	34,362
Net income (loss) attributable to non-controlling interest	(67	) 146
Net income attributable to Core Laboratories N.V.	\$40,451	\$34,216
EARNINGS PER SHARE INFORMATION:		
Basic earnings per share attributable to Core Laboratories N.V.	\$0.88	\$0.77
Diluted earnings per share attributable to Core Laboratories N.V.	\$0.83	\$0.71
Cash dividends per share	\$0.25	\$0.06
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	45,945	44,651
Diluted	48,662	47,957

The accompanying notes are an integral part of these consolidated financial statements.

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CORE LABORATORIES N.V.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

	Six Months Ended June 30,	
	2011	2010
	(Unaudited)	
<b>REVENUE:</b>		
Services	\$322,870	\$296,452
Product sales	109,648	90,787
Total Revenue	432,518	387,239
<b>OPERATING EXPENSES:</b>		
Cost of services, exclusive of depreciation expense shown below	212,733	191,768
Cost of product sales, exclusive of depreciation expense shown below	76,290	62,737
General and administrative expenses	19,281	15,591
Depreciation	11,047	10,849
Amortization	589	671
Other (income) expense, net	(1,724)	) 490
<b>OPERATING INCOME</b>	<b>114,302</b>	<b>105,133</b>
Loss on exchange of Senior Exchangeable Notes	839	—
Interest expense	4,859	8,173
Income before income tax expense	108,604	96,960
Income tax expense	22,228	30,312
Net income	86,376	66,648
Net income (loss) attributable to non-controlling interest	(365)	) 227
Net income attributable to Core Laboratories N.V.	\$86,741	\$66,421
<b>EARNINGS PER SHARE INFORMATION:</b>		
Basic earnings per share attributable to Core Laboratories N.V.	\$1.90	\$1.48
Diluted earnings per share attributable to Core Laboratories N.V.	\$1.77	\$1.40
Cash dividends per share	\$0.50	\$0.12
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>		
Basic	45,587	44,743
Diluted	48,942	47,396

The accompanying notes are an integral part of these consolidated financial statements.



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CORE LABORATORIES N.V.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In thousands)

	Six Months Ended June 30,	
	2011	2010
	(Unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$86,376	\$66,648
Adjustments to reconcile net income to net cash provided by operating activities:		
Net (recovery) provision for doubtful accounts	40	811
Provisions for inventory obsolescence	357	298
Equity in earnings of affiliates	(117)	(239)
Stock-based compensation	5,923	3,836
Depreciation and amortization	11,636	11,520
Non-cash interest expense	4,144	7,735
(Gain) loss on sale of assets	(138)	8
Gain on insurance recovery	(779)	—
Loss on exchange of Senior Exchangeable Notes	839	—
Realization of pension obligation	152	171
(Increase) decrease in value of life insurance policies	(685)	765
Deferred income taxes	(10,735)	(8,822)
Changes in assets and liabilities:		
Accounts receivable	(5,627)	(4,618)
Inventories	(8,886)	(1,876)
Prepaid expenses and other current assets	1,055	23,896
Other assets	(623)	(540)
Accounts payable	8,639	6,519
Accrued expenses	(2,080)	7,698
Other long-term liabilities	8,463	(2,450)
Net cash provided by operating activities	97,954	111,360
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(11,984)	(12,696)
Patents and other intangibles	(132)	(142)
Business Acquisitions	—	(9,000)
Proceeds from sale of assets	171	125
Proceeds from insurance recovery	884	—
Premiums on life insurance	(1,243)	(921)
Net cash used in investing activities	(12,304)	(22,634)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of debt borrowings	(64,477)	—
Stock options exercised	241	295
Excess tax benefits from stock-based compensation	2,289	798
Debt financing costs	(1,094)	—
Settlement of warrants	(57,777)	—
Non-controlling interest - contributions	895	—
Non-controlling interest - dividend	(240)	(181)
Dividends paid	(22,709)	(5,375)

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Repurchase of common shares	(52,097	)	(91,686	)
Net cash used in financing activities	(194,969	)	(96,149	)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(109,319	)	(7,423	)
CASH AND CASH EQUIVALENTS, beginning of period	133,880		181,045	
CASH AND CASH EQUIVALENTS, end of period	\$24,561		\$173,622	

The accompanying notes are an integral part of these consolidated financial statements.

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CORE LABORATORIES N.V.  
 NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts of Core Laboratories N.V. and its subsidiaries for which we have a controlling voting interest and/or a controlling financial interest. These financial statements have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP") for interim financial information using the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these financial statements do not include all of the information and footnote disclosures required by U.S. GAAP and should be read in conjunction with the financial statements and the summary of significant accounting policies and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2010.

Core Laboratories N.V. uses the equity method of accounting for investments in which it has less than a majority interest and over which it does not exercise control. Non-controlling interest has been recorded to reflect outside ownership attributable to consolidated subsidiaries that are less than 100% owned. In the opinion of management, all adjustments considered necessary for the periods presented have been included in these financial statements. Furthermore, the operating results presented for the three and six months ended June 30, 2011 may not necessarily be indicative of the results that may be expected for the year ended December 31, 2011.

Core Laboratories N.V.'s balance sheet information for the year ended December 31, 2010 was derived from the 2010 audited consolidated financial statements but does not include all disclosures in accordance with U.S. GAAP.

Certain reclassifications were made to prior period amounts in order to conform to the current period presentation. These reclassifications had no impact on the reported net income for the three and six month periods ended June 30, 2011.

References to "Core Lab", "we", "our" and similar phrases are used throughout this Quarterly Report on Form 10-Q and relate collectively to Core Laboratories N.V. and its consolidated subsidiaries.

2. INVENTORIES

Inventories consist of the following (in thousands):

	June 30, 2011 (Unaudited)	December 31, 2010
Finished goods	\$31,843	\$24,476
Parts and materials	8,716	6,727
Work in progress	1,949	2,776
Total inventories, net	\$42,508	\$33,979

We include freight costs incurred for shipping inventory to customers in the Cost of Sales line of the Consolidated Statements of Operations.

3. GOODWILL AND INTANGIBLES

We account for intangible assets with indefinite lives, including goodwill, in accordance with the applicable accounting guidance, which requires us to evaluate these assets for impairment annually, or more frequently if an

indication of impairment has occurred. Based upon our most recent evaluation, we determined that goodwill is not impaired. We amortize intangible assets with a defined term on a straight-line basis over their respective useful lives.

In 2010, we acquired fracture diagnostics assets for \$9.0 million in cash. The acquisition was recorded in the Production Enhancement business segment and resulted in an increase of \$5.6 million in goodwill and an increase of \$3.2 million in intangible assets. The intangible assets will be amortized over a period of 36 to 60 months.

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## 4. DEBT

Debt is summarized in the following table (in thousands):

	June 30, 2011 (Unaudited)	December 31, 2010
Senior exchangeable notes	\$91,930	\$156,407
Discount on senior exchangeable notes	(2,183	) (8,864
Net senior exchangeable notes	\$89,747	\$147,543

In 2006, Core Laboratories LP, an entity 100% indirectly owned by Core Laboratories N.V., issued \$300.0 million aggregate principal amount of Senior Exchangeable Notes (the "Notes") which are fully and unconditionally guaranteed by Core Laboratories N.V. and mature on October 31, 2011. The Notes bear interest at a rate of 0.25% per year paid on a semi-annual basis.

With the additional amortization of the discount on the Notes, the effective interest rate is 7.48% for the three and six month period ended June 30, 2011, which resulted in additional non-cash interest expense of \$1.8 million and \$3.9 million for the three months ended June 30, 2011 and 2010, respectively, and \$4.0 million and \$7.7 million for the six months ended June 30, 2011 and 2010, respectively. Each Note carries a \$1,000 principal amount and is exchangeable into shares of Core Laboratories N.V. common stock under certain circumstances at an exchange price of \$45.51 per share, or 21.9738 shares per Note. Upon exchange, holders will receive cash for the principal amount plus any amount related to fractional shares, and any excess exchange value will be delivered in whole shares of Core Laboratories N.V. common stock at the completion of the valuation period as defined under our Notes agreement. At June 30, 2011, the Notes were trading at 243% of their face value which is equivalent to \$131.5 million of value in excess of the aggregate principal amount. At December 31, 2010, the Notes were trading at 197% of their face value which is equivalent to \$151.7 million of value in excess of the aggregate principal amount. There were 91,930 and 156,407 Notes outstanding at June 30, 2011 and December 31, 2010, respectively.

Under the terms of the Notes, defined criteria were met which allowed the Notes to be early exchanged during the second quarter of 2011, as it was during the first quarter of 2011, and as a result the equity component of the Notes at June 30, 2011 was classified as temporary equity. This balance combined with the debt amount reflects the amount that could result in cash settlement upon exchange. We received nine requests to exchange 17,909 Notes which were settled during the second quarter for \$17.9 million in cash and 213,936 shares of our common stock, all of which were treasury shares, resulting in a loss of \$0.2 million. We also received five requests during the second quarter to exchange 888 Notes which we will settle during the third quarter upon completion of the requisite holding period per the Note Indenture agreement.

On April 19, 2011, we entered into an agreement for an amended revolving credit facility (the "Credit Facility") that we maintain that allowed for an aggregate borrowing capacity of \$300.0 million at June 30, 2011. The Credit Facility also provided an option to increase the commitment under the Credit Facility to \$350.0 million, if certain conditions are met. The Credit Facility bears interest at variable rates from LIBOR plus 1.75% to a maximum of LIBOR plus 2.50%. Any outstanding balance under the Credit Facility is due in December 2015 when the Credit Facility matures. Interest payment terms are variable depending upon the specific type of borrowing under this facility. Our available capacity is reduced by outstanding letters of credit and performance guarantees and bonds totaling \$14.5 million at June 30, 2011 relating to certain projects in progress. Our available borrowing capacity under the Credit Facility at June 30, 2011 was \$285.5 million. As of June 30, 2011, we had \$17.9 million of outstanding letters of credit and performance guarantees and bonds in addition to those under the Credit Facility.

The terms of the Credit Facility require us to meet certain financial and operational covenants. We believe that we were in compliance with all such covenants at June 30, 2011. All of our material, wholly owned subsidiaries are guarantors or co-borrowers under the Credit Facility.

#### 5. PENSIONS AND OTHER POSTRETIREMENT BENEFITS

We provide a noncontributory defined benefit pension plan covering substantially all of our Dutch employees (the "Dutch Plan") who were hired prior to 2007 based on years of service and final pay or career average pay, depending on when the employee began participating. The benefits earned by the employees are immediately vested. We fund the future obligations of the Dutch Plan by purchasing investment contracts from a large multi-national insurance company. The investment contracts

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are purchased annually and expire after five years at which time they are replaced with new contracts that are adjusted to include changes in the benefit obligation for the current year and redemption of the expired contracts. We determine the fair value of

these plan assets with the assistance of an actuary using observable inputs (Level 2). We make annual premium payments to the insurance company, based on each employee's age and current salary.

The following table summarizes the components of net periodic pension cost under this plan for the three and six months ended June 30, 2011 and 2010 (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
	(Unaudited)		(Unaudited)	
Service cost	\$352	\$304	\$687	\$627
Interest cost	454	352	886	728
Expected return on plan assets	(211 )	(111 )	(412 )	(230 )
Amortization of transition asset	(22 )	(22 )	(44 )	(44 )
Amortization of prior service cost	40	40	80	80
Amortization of net loss	84	95	168	189
Net periodic pension cost	\$697	\$658	\$1,365	\$1,350

During the six months ended June 30, 2011, we contributed approximately \$1.9 million, as determined by the insurance company, to fund the estimated 2011 premiums on investment contracts held by the Dutch Plan.

We have adopted a non-qualified deferred compensation plan that allows certain highly compensated employees to defer a portion of their salary, commission and bonus, as well as the amount of any reductions in their deferrals under the deferred compensation plan for employees in the United States (the "Deferred Compensation Plan"), due to certain limitations imposed by the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The Deferred Compensation Plan also provides for employer contributions to be made on behalf of participants equal in amount to certain forfeitures of, and/or reductions in, employer contributions that participants could have received under the 401(k) Plan in the absence of certain limitations imposed by the Internal Revenue Code. Employer contributions to the Deferred Compensation Plan vest ratably over a period of five years. Contributions to the plan are invested in equity and other investment fund assets, and carried on the balance sheet at fair value. A participant's plan benefits include the participant's deferrals, the vested portion of the employer's contributions, and deemed investment gains and losses on such amounts. The benefits under these contracts are fully vested and payment of benefits generally commences as of the last day of the month following the termination of services except that the payment of benefits for select executives generally commences on the first working day following a six month waiting period following the date of termination.

On a recurring basis, we use the market approach to value certain assets and liabilities at fair value at quoted prices in an active market (Level 1) and certain assets and liabilities using significant other observable inputs (Level 2). We do not have any assets or liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3). Gains and losses related to the fair value changes in the deferred compensation assets and liabilities are recorded in General and Administrative Expenses in the Consolidated Statements of Operations. The following table summarizes the fair value balances (in thousands):

(Unaudited)	Total	Fair Value Measurement at		
		June 30, 2011		
		Level 1	Level 2	Level 3



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Assets:

Deferred compensation plan trust assets	\$ 10,156	\$—	\$ 10,156	\$—
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Liabilities:

Deferred compensation plan	\$ 15,203	\$ 2,932	\$ 12,271	\$—
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	Total	Fair Value Measurement at December 31, 2010		
		Level 1	Level 2	Level 3
Assets:				
Deferred compensation plan trust assets	\$ 8,802	\$—	\$ 8,802	\$—
Liabilities:				
Deferred compensation plan	\$ 13,063	\$ 2,275	\$ 10,788	\$—

## 6. COMMITMENTS AND CONTINGENCIES

We have been and may from time to time be named as a defendant in legal actions that arise in the ordinary course of business. These include, but are not limited to, employment-related claims and contractual disputes or claims for personal injury or property damage which occur in connection with the provision of our products and services.

Management does not currently believe that any of our pending contractual, employment-related, personal injury or property damage claims and disputes will have a material effect on our future results of operations, financial position or cash flow.

## 7. EQUITY

During the three months ended June 30, 2011, we repurchased 23,409 of our common shares for \$2.3 million. These shares were surrendered to us pursuant to the terms of a stock-based compensation plan in consideration of the participants' tax burdens that may result from the issuance of common shares under that plan. During the six months ended June 30, 2011, we repurchased 574,174 of our common shares for \$52.1 million. Included in this total were rights to 29,680 shares valued at \$2.9 million that were surrendered to us pursuant to the terms of a stock-based compensation plan in consideration of the participants' tax burdens that may result from the issuance of common shares under that plan. Such common shares, unless canceled, may be reissued for a variety of purposes such as future acquisitions, employee stock awards, exchange of the Notes, or settlement of outstanding warrants.

In February and May 2011, we paid a quarterly dividend of \$0.25 per share of common stock. In addition, on July 12, 2011, we declared a quarterly dividend of \$0.25 per share of common stock for shareholders of record on July 22, 2011 and payable on August 22, 2011.

In 2006, we sold warrants on our common shares, which have an exercise price of \$61.25 per share, and will settle in January 2012. The warrant agreement calls for the net value of these warrants to be settled with Core Laboratories N.V. common shares.

In May 2011, we reached an agreement with the holder of the warrants to accelerate the settlement of 25% of the warrants. This agreement called for the daily settlement of 82,402 warrants using an exercise price which was adjusted based on the daily volume weighted average price. During May and June 2011, we settled 1,648,040 of the outstanding warrants using a calculated exercise price which averaged \$59.57 during the period. These settlements resulted in the distribution of 630,744 shares of treasury stock. There was a second agreement entered into during the first week of June 2011 with the holder of the warrants to accelerate the settlement of an additional 25% of the original number of warrants during the months of June and July 2011. During June 2011, we settled 1,565,638 warrants using a calculated exercise price which averaged \$60.24 during the period. We had the option to settle this tranche of warrants with cash or shares. These settlements resulted in a distribution of \$57.8 million in cash during June 2011 with an additional \$8.0 million in cash and 37,692 shares distributed in July 2011.

The following table summarizes our changes in equity for the six months ended June 30, 2011 (in thousands):

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	Common	Additional	Retained	Accumulated	Treasury	Non-	Total
(Unaudited)	Shares	Paid-In	Earnings	Other	Stock	Controlling	Equity
December 31,		Capital		Comprehensive		Interest	
2010	\$1,397	\$—	\$536,991	Income (Loss)	\$(242,690 )	\$2,849	\$292,340
Stock options exercised	—	(1,377 )	—	—	1,618	—	241
Stock based-awards	—	307	—	—	5,616	—	5,923
Tax benefit of stock-based awards issued	—	2,289	—	—	—	—	2,289
Repurchase of common shares	—	—	—	—	(52,097 )	—	(52,097 )
Dividends paid	—	—	(22,709 )	—	—	—	(22,709 )
Equity component of short-term debt	—	6,681	—	—	—	—	6,681
Exchange of Senior Exchangeable Notes	—	(5,031 )	(40,311 )	—	43,452	—	(1,890 )
Settlement of warrants	—	(2,869 )	(101,078 )	—	38,188	—	(65,759 )
Non-controlling interest contribution	—	—	—	—	—	895	895
Non-controlling interest dividends	—	—	—	—	—	(240 )	(240 )
Comprehensive income:							
Amortization of deferred pension costs, net of tax	—	—	—	152	—	—	152
Net income (loss)	—	—	86,741	—	—	(365 )	86,376
Total comprehensive income							86,528
June 30, 2011	\$1,397	\$—	\$459,634	\$(6,055 )	\$(205,913 )	\$3,139	\$252,202

Comprehensive Income

The components of comprehensive income consisted of the following (in thousands):

Three Months Ended		Six Months Ended	
June 30,	2010	June 30,	2010
2011		2011	
(Unaudited)		(Unaudited)	

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Net income	\$40,384	\$34,362	\$86,376	\$66,648
Amortization of deferred pension costs, net of tax	76	86	152	171
Total comprehensive income	\$40,460	\$34,448	\$86,528	\$66,819

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Accumulated other comprehensive income (loss) consisted of the following (in thousands):

	June 30, 2011 (Unaudited)		December 31, 2010	
Prior service cost	\$(793	)	\$(853	)
Transition asset	292		324	
Unrecognized net actuarial loss	(5,554	)	(5,678	)
Total accumulated other comprehensive income (loss)	\$(6,055	)	\$(6,207	)

## 8. EARNINGS PER SHARE

We compute basic earnings per common share by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common and potential common shares include additional shares in the weighted average share calculations associated with the incremental effect of dilutive employee stock options, restricted stock awards and contingently issuable shares, as determined using the treasury stock method. The following table summarizes the calculation of weighted average common shares outstanding used in the computation of diluted earnings per share (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2011 (Unaudited)	2010	June 30, 2011 (Unaudited)	2010
Weighted average basic common shares outstanding	45,945	44,651	45,587	44,743
Effect of dilutive securities:				
Stock options	23	55	24	56
Contingent shares	68	44	63	37
Restricted stock and other	230	568	274	550
Senior exchangeable notes	1,097	1,823	1,176	1,586
Warrants	1,299	816	1,818	424
Weighted average diluted common and potential common shares outstanding	48,662	47,957	48,942	47,396

In 2006, we sold warrants on our common shares, which have an exercise price of \$61.25 per share, and will settle in January 2012. The warrant agreement calls for the net value of these warrants to be settled with Core Laboratories N.V. common shares.

Included in the table above are 1,299,000 and 816,000 shares which were added to the share count for the three months ended June 30, 2011 and 2010, respectively, and 1,818,000 and 424,000 shares which were added to the share count for the six months ended June 30, 2011 and 2010, respectively, because the average share price exceeded the strike price of the warrants. These shares were included in calculating the impact to our dilutive earnings per share for the three and six months ended June 30, 2011 and 2010.

## 9. OTHER (INCOME) EXPENSE, NET

The components of other (income) expense, net, were as follows (in thousands):

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	Three Months Ended		Six Months Ended	
	June 30, 2011 (Unaudited)	2010	June 30, 2011 (Unaudited)	2010
(Gain) loss on sale of assets	\$(75 )	\$39	\$(138 )	\$8
Foreign exchange (gain) loss	(9 )	1,712	(521 )	1,621
Interest income	(30 )	(130 )	(85 )	(142 )
Rents and royalties	(382 )	(218 )	(833 )	(700 )
Gain on insurance recovery	(69 )	—	(779 )	—
Legal entity realignment	711	711	711	—
Other, net	1	(115 )	(79 )	(297 )
Total other (income) expense, net	\$147	\$1,288	\$(1,724 )	\$490

During the third quarter of 2010, an office and laboratory facility was damaged by fire, resulting in the loss of the laboratory portion of the building, as well as some of the laboratory equipment. The final settlement was reached in the first quarter of 2011, which resulted in a gain of \$0.8 million.

Foreign exchange (gains) losses by currency are summarized in the following table (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2011 (Unaudited)	2010	June 30, 2011 (Unaudited)	2010
British Pound	\$44	\$158	\$(47 )	\$416
Canadian Dollar	(124 )	149	(543 )	(236 )
Euro	41	1,619	(25 )	1,589
Mexican Peso	36	(14 )	142	94
Russian Ruble	(24 )	(69 )	(219 )	(15 )
Other currencies, net	18	(131 )	171	(227 )
Total (gain) loss	\$(9 )	\$1,712	\$(521 )	\$1,621

## 10. INCOME TAX EXPENSE

The effective tax rates for the three months ended June 30, 2011 and 2010 were 26.7% and 30.7%, respectively. The effective tax rates for year to date 2011 and 2010 were 20.5% and 31.3%, respectively. Included in income tax expense is the reversal in the six months ended June 30, 2011 of \$10.4 million in tax liabilities provided over the period of 2007-2010 as a result of recently concluded audits of prior year returns. The liability reversal reflects the impact of positions sustained in certain audits.

## 11. SEGMENT REPORTING

We operate our business in three reportable segments: (1) Reservoir Description, (2) Production Enhancement and (3) Reservoir Management. These business segments provide different services and utilize different technologies.

**Reservoir Description:** Encompasses the characterization of petroleum reservoir rock, fluid and gas samples. We provide analytical and field services to characterize properties of crude oil and petroleum products to the oil and gas industry.

**Production Enhancement:** Includes products and services relating to reservoir well completions, perforations, stimulations and production. We provide integrated services to evaluate the effectiveness of well completions and to



develop solutions aimed at increasing the effectiveness of enhanced oil recovery projects.

• **Reservoir Management:** Combines and integrates information from reservoir description and production enhancement services to increase production and improve recovery of oil and gas from our clients' reservoirs.

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Results for these business segments are presented below. We use the same accounting policies to prepare our business segment results as are used to prepare our Consolidated Financial Statements. We evaluate performance based on income or loss before income tax, interest and other non-operating income (expense). All interest and other non-operating income (expense) is attributable to the Corporate & Other area and is not allocated to specific business segments. Summarized financial information concerning our segments is shown in the following table (in thousands):

(Unaudited)	Reservoir Description	Production Enhancement	Reservoir Management	Corporate & Other <sup>1</sup>	Consolidated
Three Months Ended June 30, 2011					
Revenues from unaffiliated customers	\$ 118,758	\$ 88,787	\$ 18,240	\$—	\$ 225,785
Inter-segment revenues	447	357	595	(1,399)	) —
Segment operating income	26,629	24,500	7,307	(633)	) 57,803
Total assets	272,298	208,114	19,146	52,675	552,233
Capital expenditures	4,079	2,499	284	743	7,605
Depreciation and amortization	3,517	1,578	169	541	5,805
Three Months Ended June 30, 2010					
Revenues from unaffiliated customers	\$ 106,528	\$ 79,717	\$ 12,657	\$—	\$ 198,902
Inter-segment revenues	248	419	427	(1,094)	) —
Segment operating income (loss)	25,074	26,152	3,672	(1,178)	) 53,720
Total assets	258,759	190,512	14,245	189,145	652,661
Capital expenditures	4,600	720	219	1,002	6,541
Depreciation and amortization	3,523	1,626	166	451	5,766
Six Months Ended June 30, 2011					
Revenues from unaffiliated customers	\$ 226,379	\$ 170,885	\$ 35,254	\$—	\$ 432,518
Inter-segment revenues	816	665	954	(2,435)	) —
Segment operating income (loss)	53,067	47,762	13,971	(498)	) 114,302
Total assets	272,298	208,114	19,146	52,675	552,233
Capital expenditures	7,382	3,303	391	908	11,984
Depreciation and amortization	6,999	3,217	349	1,071	11,636
Six Months Ended June 30, 2010					
Revenues from unaffiliated customers	\$ 210,621	\$ 148,561	\$ 28,057	\$—	\$ 387,239
Inter-segment revenues	548	713	715	(1,976)	) —
Segment operating income (loss)	50,215	47,095	9,292	(1,469)	) 105,133
Total assets	258,759	190,512	14,245	189,145	652,661
Capital expenditures	9,929	1,392	257	1,118	12,696
Depreciation and amortization	7,030	3,249	324	917	11,520

(1) "Corporate & Other" represents those items that are not directly related to a particular segment and eliminations.

## 12. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

Core Laboratories N.V. has fully and unconditionally guaranteed all of the Notes issued by Core Laboratories LP in 2006. Core Laboratories LP is an entity 100% indirectly owned by Core Laboratories N.V.

The following condensed consolidating financial information is included so that separate financial statements of Core Laboratories LP are not required to be filed with the U.S. Securities and Exchange Commission (the "SEC"). The condensed consolidating financial statements present investments in both consolidated and unconsolidated affiliates using the equity method of accounting.

The following condensed consolidating financial information presents: balance sheets as of June 30, 2011 and December 31, 2010, statements of operations for each of the three and six months ended June 30, 2011 and 2010 and the statements of cash flows for each of the six months ended June 30, 2011 and 2010 of (a) Core Laboratories N.V., parent/guarantor, (b) Core Laboratories LP, issuer of public debt securities guaranteed by Core Laboratories N.V., (c) the non-guarantor subsidiaries, (d) consolidating adjustments

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necessary to consolidate Core Laboratories N.V. and its subsidiaries and (e) Core Laboratories N.V. on a consolidated basis.

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## Condensed Consolidating Balance Sheets

(Unaudited)

(In thousands)

	June 30, 2011				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$9,240	\$6,138	\$9,183	\$—	\$24,561
Accounts receivable, net	281	35,209	124,718	—	160,208
Inventories, net	—	4,264	38,244	—	42,508
Prepaid expenses and other current assets	6,122	8,632	12,660	—	27,414
Total current assets	15,643	54,243	184,805	—	254,691
PROPERTY, PLANT AND EQUIPMENT, net	—	20,921	84,205	—	105,126
GOODWILL AND INTANGIBLES, net	46,986	15,445	99,988	—	162,419
INTERCOMPANY RECEIVABLES	18,720	89,185	397,713	(505,618)	—
INVESTMENT IN AFFILIATES	566,537	—	1,596,076	(2,161,801)	812
DEFERRED TAX ASSET	2,453	—	5,978	(1,629)	6,802
OTHER ASSETS	3,347	15,713	3,323	—	22,383
<b>TOTAL ASSETS</b>	<b>\$653,686</b>	<b>\$195,507</b>	<b>\$2,372,088</b>	<b>\$(2,669,048)</b>	<b>\$552,233</b>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$8,968	\$8,974	\$43,389	\$—	\$61,331
Short-term debt	—	89,747	—	—	89,747
Other accrued expenses	2,366	30,844	51,810	—	85,020
Total current liabilities	11,334	129,565	95,199	—	236,098
LONG-TERM DEBT	—	—	—	—	—
DEFERRED COMPENSATION	6,476	17,421	104	—	24,001
DEFERRED TAX LIABILITY	—	762	867	(1,629)	—
INTERCOMPANY PAYABLES	372,606	—	133,012	(505,618)	—
OTHER LONG-TERM LIABILITIES	14,207	2,963	20,579	—	37,749
Equity Component of Short-term Debt -Senior Exchangeable Notes	—	2,183	—	—	2,183
SHAREHOLDERS' EQUITY	249,063	42,613	2,119,188	(2,161,801)	249,063
NON-CONTROLLING INTEREST	—	—	3,139	—	3,139
<b>TOTAL EQUITY</b>	<b>249,063</b>	<b>42,613</b>	<b>2,122,327</b>	<b>(2,161,801)</b>	<b>252,202</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$653,686</b>	<b>\$195,507</b>	<b>\$2,372,088</b>	<b>\$(2,669,048)</b>	<b>\$552,233</b>



## Condensed Consolidating Balance Sheets

(In thousands)

	December 31, 2010				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$11,162	\$88,612	\$34,106	\$—	\$133,880
Accounts receivable, net	10	33,637	121,079	—	154,726
Inventories, net	—	4,127	29,852	—	33,979
Prepaid expenses and other current assets	5,641	9,437	11,657	—	26,735
	16,813	135,813	196,694	—	349,320
PROPERTY, PLANT AND EQUIPMENT, net	—	21,139	83,084	—	104,223
GOODWILL AND INTANGIBLES, net	46,986	15,838	100,053	—	162,877
INTERCOMPANY RECEIVABLES	21,749	164,945	242,754	(429,448)	—
INVESTMENT IN AFFILIATES	553,693	—	1,567,416	(2,120,414)	695
DEFERRED TAX ASSET	2,810	—	6,436	(9,246)	—
OTHER ASSETS	3,209	13,099	2,619	—	18,927
<b>TOTAL ASSETS</b>	<b>\$645,260</b>	<b>\$350,834</b>	<b>\$2,199,056</b>	<b>\$(2,559,108)</b>	<b>\$636,042</b>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$336	\$5,144	\$39,230	\$—	\$44,710
Short-term debt	—	147,543	—	—	147,543
Other accrued expenses	2,291	29,250	55,559	—	87,100
	2,627	181,937	94,789	—	279,353
DEFERRED COMPENSATION	6,159	14,981	101	—	21,241
DEFERRED TAX LIABILITY	—	11,444	—	(9,246)	2,198
INTERCOMPANY PAYABLES	333,651	—	95,797	(429,448)	—
OTHER LONG-TERM LIABILITIES	13,332	1,099	17,615	—	32,046
Equity Component of Short-term Debt -Senior Exchangeable Notes	—	8,864	—	—	8,864
<b>SHAREHOLDERS' EQUITY</b>	<b>289,491</b>	<b>132,509</b>	<b>1,987,905</b>	<b>(2,120,414)</b>	<b>289,491</b>
NON-CONTROLLING INTEREST	—	—	2,849	—	2,849
<b>TOTAL EQUITY</b>	<b>289,491</b>	<b>132,509</b>	<b>1,990,754</b>	<b>(2,120,414)</b>	<b>292,340</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$645,260</b>	<b>\$350,834</b>	<b>\$2,199,056</b>	<b>\$(2,559,108)</b>	<b>\$636,042</b>





## Condensed Consolidating Statements of Operations

(Unaudited)

(In thousands)

	Three Months Ended June 30, 2011				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
<b>REVENUE</b>					
Operating revenue	\$—	\$52,935	\$172,850	\$—	\$225,785
Intercompany revenue	409	6,314	30,838	(37,561)	) —
Earnings (loss) from consolidated affiliates	48,014	—	90,507	(138,521)	) —
Total revenue	48,423	59,249	294,195	(176,082)	) 225,785
<b>OPERATING EXPENSES</b>					
Operating costs	264	26,698	125,311	—	152,273
General and administrative expenses	1,971	7,784	2	—	9,757
Depreciation and amortization	—	1,599	4,206	—	5,805
Other (income) expense, net	814	3,664	29,915	(34,246)	) 147
Operating income	45,374	19,504	134,761	(141,836)	) 57,803
Loss on exchange of Senior Exchangeable Notes	—	210	—	—	210
Interest expense	—	24,256	—	(21,757)	) 2,499
Income (loss) before income tax expense	45,374	(4,962)	) 134,761	(120,079)	) 55,094
Income tax expense (benefit)	4,923	(8,436)	) 18,223	—	14,710
Net income	40,451	3,474	116,538	(120,079)	) 40,384
Net income (loss) attributable to non-controlling interest	—	—	(67)	) —	(67)
Net income (loss) attributable to Core Laboratories	\$40,451	\$3,474	\$116,605	\$(120,079)	) \$40,451

Condensed Consolidating Statements of  
Operations (Unaudited)  
(In thousands)

	Six Months Ended June 30, 2011				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
<b>REVENUE</b>					
Operating revenue	\$—	\$ 100,735	\$ 331,783	\$—	\$ 432,518
Intercompany revenue	769	11,695	70,894	(83,358)	) —
Earnings (loss) from consolidated affiliates	86,708	—	70,803	(157,511)	) —
Total revenue	87,477	112,430	473,480	(240,869)	) 432,518
<b>OPERATING EXPENSES</b>					
Operating costs	558	51,997	236,468	—	289,023
General and administrative expenses	4,615	14,654	12	—	19,281
Depreciation and amortization	—	3,229	8,407	—	11,636
Other (income) expense, net	943	6,609	56,342	(65,618)	) (1,724)
Operating income	81,361	35,941	172,251	(175,251)	) 114,302
Loss on exchange of Senior Exchangeable Notes	—	839	—	—	839
Interest expense	—	83,009	—	(78,150)	) 4,859
Income (loss) before income tax expense	81,361	(47,907)	) 172,251	(97,101)	) 108,604
Income tax expense (benefit)	(5,380)	) 10,991	16,617	—	22,228
Net income	86,741	(58,898)	) 155,634	(97,101)	) 86,376
Net income (loss) attributable to non-controlling interest	—	—	(365)	) —	(365)
Net income (loss) attributable to Core Laboratories	\$ 86,741	\$ (58,898)	) \$ 155,999	\$ (97,101)	) \$ 86,741

Condensed Consolidating Statements of Cash  
Flows (Unaudited)

(In thousands)	Six Months Ended June 30, 2011				Consolidated Total
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	
Net cash provided by (used in) operating activities	\$ 128,131	\$(14,422)	\$(15,755)	\$—	\$97,954
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Capital expenditures	—	(1,256)	(10,728)	—	(11,984)
Patents and other intangibles	—	(16)	(116)	—	(132)
Proceeds from sale of assets	—	34	137	—	171
Proceeds from insurance recovery	—	—	884	—	884
Premiums on life insurance	—	(1,243)	—	—	(1,243)
Net cash used in investing activities—	—	(2,481)	(9,823)	—	(12,304)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Repayment of debt borrowings	—	(64,477)	—	—	(64,477)
Stock options exercised	241	—	—	—	241
Excess tax benefits from stock-based compensation	2,289	—	—	—	2,289
Debt financing costs	—	(1,094)	—	—	(1,094)
Settlement of Warrants	(57,777)	—	—	—	(57,777)
Non-controlling interest - contributions	—	—	895	—	895
Non-controlling interest - dividends—	—	—	(240)	—	(240)
Dividends paid	(22,709)	—	—	—	(22,709)
Repurchase of common shares	(52,097)	—	—	—	(52,097)
Net cash provided by (used in) financing activities	(130,053)	(65,571)	655	—	(194,969)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,922)</b>	<b>(82,474)</b>	<b>(24,923)</b>	<b>—</b>	<b>(109,319)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>11,162</b>	<b>88,612</b>	<b>34,106</b>	<b>—</b>	<b>133,880</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>\$9,240</b>	<b>\$6,138</b>	<b>\$9,183</b>	<b>\$—</b>	<b>\$24,561</b>

## Condensed Consolidating Statements of Operations

(Unaudited)

(In thousands)

	Three Months Ended June 30, 2010				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
<b>REVENUE</b>					
Operating revenue	\$—	\$48,386	\$150,516	\$—	\$198,902
Intercompany revenue	379	7,619	35,451	(43,449)	) —
Earnings from consolidated affiliates	37,709	—	115,745	(153,454)	) —
Total revenue	38,088	56,005	301,712	(196,903)	) 198,902
<b>OPERATING EXPENSES</b>					
Operating costs	322	25,237	103,358	—	128,917
General and administrative expenses	2,147	7,060	4	—	9,211
Depreciation and amortization	—	1,554	4,212	—	5,766
Other (income) expense, net	992	3,411	29,884	(32,999)	) 1,288
Operating income	34,627	18,743	164,254	(163,904)	) 53,720
Loss on exchange of Senior Exchangeable Notes	—	—	—	—	—
Interest expense	—	4,112	2	—	4,114
Income before income tax expense	34,627	14,631	164,252	(163,904)	) 49,606
Income tax expense (benefit)	411	5,992	8,841	—	15,244
Net income	34,216	8,639	155,411	(163,904)	) 34,362
Net income attributable to non-controlling interest	—	—	146	—	146
Net income attributable to Core Laboratories	\$34,216	\$8,639	\$155,265	\$(163,904)	) \$34,216

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## Condensed Consolidating Statements of Operations

(Unaudited)

(In thousands)

	Six Months Ended June 30, 2010				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
<b>REVENUE</b>					
Operating revenue	\$—	\$93,547	\$293,692	\$—	\$387,239
Intercompany revenue	667	12,206	70,960	(83,833)	) —
Earnings from consolidated affiliates	72,898	—	216,504	(289,402)	) —
Total revenue	73,565	105,753	581,156	(373,235)	) 387,239
<b>OPERATING EXPENSES</b>					
Operating costs	712	50,221	203,572	—	254,505
General and administrative expenses	4,314	11,270	7	—	15,591
Depreciation and amortization	—	3,112	8,408	—	11,520
Other (income) expense, net	857	5,002	58,192	(63,561)	) 490
Operating income	67,682	36,148	310,977	(309,674)	) 105,133
Interest expense	—	8,167	6	—	8,173
Income before income tax expense	67,682	27,981	310,971	(309,674)	) 96,960
Income tax expense (benefit)	1,261	11,474	17,577	—	30,312
Net income	66,421	16,507	293,394	(309,674)	) 66,648
Net income attributable to non-controlling interest	—	—	227	—	227
Net income attributable to Core Laboratories	\$66,421	\$16,507	\$293,167	\$(309,674)	) \$66,421

Condensed Consolidating Statements of Cash  
Flows (Unaudited)

(In thousands)

	Six Months Ended June 30, 2010				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
Net cash provided by operating activities	\$ 54,349	\$ 44,964	\$ 12,047	\$—	\$ 111,360
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Capital expenditures	—	(2,918	) (9,778	) —	(12,696 )
Patents and other intangibles	—	—	(142	) —	(142 )
Acquisitions, net of cash	—	(9,000	) —	—	(9,000 )
Proceeds from sale of assets	—	11	114	—	125
Premiums on life insurance	—	(921	) —	—	(921 )
Net cash used in investing activities—	—	(12,828	) (9,806	) —	(22,634 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Stock options exercised	295	—	—	—	295
Excess tax benefit from stock-based payments	798	—	—	—	798
Non-controlling interest - dividends—	—	—	(181	) —	(181 )
Dividends paid	(5,375	) —	—	—	(5,375 )