
**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 September 30, 2013

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: 001-36053

Frank's International N.V.

(Exact name of registrant as specified in its charter)

The Netherlands

(State or other jurisdiction of
incorporation or organization)

98-1107145

(IRS Employer
Identification number)

Prins Bernhardplein 200

1097 JB Amsterdam, The Netherlands

(Address of principal executive offices)

Not Applicable

(Zip Code)

Registrant's telephone number, including area code: +31 (0)20 52 14 777

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

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of November 12, 2013, there were 153,524,000 shares of common stock, €0.01 par value per share, outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	September 30, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 449,522	\$ 152,945
Accounts receivables, net	342,708	313,657
Inventories	161,469	108,543
Other current assets	12,415	16,632
Total current assets	966,114	591,777
Property, plant and equipment, net	473,885	426,500
Goodwill	13,742	15,239
Intangible assets, net	1,223	1,832
Other assets	52,284	72,613
Total assets	\$ 1,507,248	\$ 1,107,961
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	\$ 486	\$ 6,317
Current portion of notes payable - affiliated	—	323,476
Accounts payable	17,078	19,377
Deferred revenue	65,052	23,172
Accrued and other current liabilities	112,569	104,627
Total current liabilities	195,185	476,969
Long-term debt:		
Long-term debt and capital lease obligations	96	1,051
Notes payable - affiliated	—	145,087
Total long-term debt	96	146,138
Deferred tax liabilities	3,409	6,575
Other non-current liabilities	36,345	30,586
Total liabilities	235,035	660,268
Commitments and contingencies (Note 16)		
Series A preferred stock, €0.01 par value, 60,000,000 shares authorized;		
52,976,000 shares issued and outstanding	705	705
Stockholders' equity		
Common stock, €0.01 par value, 180,000,000 shares authorized; 153,524,000		
shares issued and outstanding at September 30, 2013; 119,024,000		
shares issued and outstanding at December 31, 2012	2,019	1,561
Additional paid-in capital	637,464	651
Retained earnings	408,966	327,436
Accumulated other comprehensive income (loss)	(2,026)	3,254
Total stockholders' equity	1,046,423	332,902
Noncontrolling interest	225,085	114,086
Total equity	1,271,508	446,988
Total liabilities and equity	\$ 1,507,248	\$ 1,107,961

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

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Revenues:				
Equipment rentals and services	\$ 228,069	\$ 225,937	\$ 668,582	\$ 647,307
Products	42,033	40,470	127,068	116,883
Total revenue	<u>270,102</u>	<u>266,407</u>	<u>795,650</u>	<u>764,190</u>
Operating expenses:				
Cost of revenues, exclusive of depreciation and amortization				
Equipment rentals and services	86,932	74,444	248,104	222,418
Products	23,862	33,063	72,481	83,367
General and administrative expenses	64,104	46,524	160,016	134,005
Depreciation and amortization	19,887	16,827	56,593	48,480
Loss on sale of assets	124	36	68	141
Operating income	<u>75,193</u>	<u>95,513</u>	<u>258,388</u>	<u>275,779</u>
Other income (expense):				
Other income	1,128	3,228	8,535	6,655
Interest income (expense), net	170	112	(493)	305
Foreign currency gain (loss)	3,161	80	(2,114)	418
Total other income (expense)	<u>4,459</u>	<u>3,420</u>	<u>5,928</u>	<u>7,378</u>
Income from continuing operations before income tax expense	79,652	98,933	264,316	283,157
Income tax expense	20,185	8,634	32,569	24,028
Income from continuing operations	<u>59,467</u>	<u>90,299</u>	<u>231,747</u>	<u>259,129</u>
Income from discontinued operations	—	1,251	42,635	5,590
Net income	<u>59,467</u>	<u>91,550</u>	<u>274,382</u>	<u>264,719</u>
Net income attributable to noncontrolling interest	18,653	23,483	74,005	67,900
Net income attributable to				
Frank's International N.V.	<u>\$ 40,814</u>	<u>\$ 68,067</u>	<u>\$ 200,377</u>	<u>\$ 196,819</u>
Basic earnings per common share:				
Continuing operations	\$ 0.30	\$ 0.56	\$ 1.35	\$ 1.62
Discontinued operations	—	0.01	0.25	0.03
Total	<u>\$ 0.30</u>	<u>\$ 0.57</u>	<u>\$ 1.60</u>	<u>\$ 1.65</u>
Diluted earnings per common share:				
Continuing operations	\$ 0.29	\$ 0.53	\$ 1.33	\$ 1.52
Discontinued operations	—	—	0.18	0.02
Total	<u>\$ 0.29</u>	<u>\$ 0.53</u>	<u>\$ 1.51</u>	<u>\$ 1.54</u>
Weighted average common shares outstanding:				
Basic	137,024	119,024	125,090	119,024
Diluted	<u>190,435</u>	<u>172,000</u>	<u>178,211</u>	<u>172,000</u>

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

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Net income	\$ 59,467	\$ 91,550	\$ 274,382	\$ 264,719
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of tax	(911)	895	(8,243)	(636)
Unrealized gain on marketable securities, net of tax	1,462	52	1,142	88
Total other comprehensive income (loss)	551	947	(7,101)	(548)
Comprehensive income	60,018	92,497	267,281	264,171
Less: Comprehensive income attributable to noncontrolling interest	18,794	23,726	72,184	67,759
Comprehensive income attributable to Frank's International N.V.	\$ 41,224	\$ 68,771	\$ 195,097	\$ 196,412

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

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

Nine Months Ended September 30, 2012

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)		Noncontrolling Interest	Total Stockholders' Equity
	Shares	Value						
	Balances at December 31, 2011	119,024	\$ 1,561	\$ 651	\$ 491,062	\$ 3,302	\$ 170,552	\$ 667,128
Net income	—	—	—	196,819	—	67,900	264,719	
Foreign currency translation adjustments	—	—	—	—	(473)	(163)	(636)	
Unrealized gain on marketable securities	—	—	—	—	65	23	88	
Distributions to stockholders	—	—	—	(64,696)	—	(22,319)	(87,015)	
Balances at September 30, 2012	<u>119,024</u>	<u>\$ 1,561</u>	<u>\$ 651</u>	<u>\$ 623,185</u>	<u>\$ 2,894</u>	<u>\$ 215,993</u>	<u>\$ 844,284</u>	

Nine Months Ended September 30, 2013

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)		Noncontrolling Interest	Total Stockholders' Equity
	Shares	Value						
	Balances at December 31, 2012	119,024	\$ 1,561	\$ 651	\$ 327,436	\$ 3,254	\$ 114,086	\$ 446,988
Net income	—	—	—	200,377	—	74,005	274,382	
Distribution of net assets to Mosing Holdings	—	—	—	(40,507)	—	(13,974)	(54,481)	
Capital contribution by NCI equity holders to subsidiary	—	—	—	—	—	3,002	3,002	
Issuance of common stock upon IPO, net of offering costs	34,500	458	634,239	—	—	76,814	711,511	
Foreign currency translation adjustments	—	—	—	—	(6,129)	(2,114)	(8,243)	
Unrealized gain on marketable securities	—	—	—	—	849	293	1,142	
Stock-based compensation expense	—	—	2,520	—	—	—	2,520	
Distributions to stockholders	—	—	—	(78,340)	—	(27,027)	(105,367)	
Other	—	—	54	—	—	—	54	
Balances at September 30, 2013	<u>153,524</u>	<u>\$ 2,019</u>	<u>\$ 637,464</u>	<u>\$ 408,966</u>	<u>\$ (2,026)</u>	<u>\$ 225,085</u>	<u>\$ 1,271,508</u>	

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

FRANK'S INTERNATIONAL N.V.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2013	2012
Cash flows from operating activities		
Net income	\$ 274,382	\$ 264,719
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation and amortization	56,738	48,786
Stock-based compensation expense	2,520	—
Amortization of deferred financing costs	43	—
Venezuelan currency devaluation charge	1,755	—
Deferred tax provision	(2,806)	(203)
Provision for bad debts	11,786	1,673
(Gain) loss on sale of assets	(39,561)	141
Changes in fair value of marketable securities	(2,381)	(1,758)
Increase in value of life insurance policies	(815)	(345)
Changes in operating assets and liabilities		
Accounts receivable	(57,904)	(73,583)
Inventories	(57,829)	(7,753)
Other current assets	1,738	5,442
Other assets	(1,747)	805
Accounts payable	(1,912)	5,849
Deferred revenue	41,880	(5,820)
Accrued expenses and other current liabilities	8,511	7,913
Other noncurrent liabilities	5,759	5,457
Net cash provided by operating activities	240,157	251,323
Cash flows from investing activities		
Purchase of property, plant and equipment	(126,763)	(136,605)
Proceeds from sale of assets and equipment	50,471	284
Purchase of marketable securities	(1,187)	(2,220)
Premiums on life insurance policies	(2,142)	(2,912)
Other	—	(196)
Net cash used in investing activities	(79,621)	(141,649)
Cash flows from financing activities		
Proceeds from initial public offering, net of offering costs	711,511	—
Repayments of borrowings	(471,864)	(14,488)
Proceeds from borrowings	170	10,095
Deferred financing costs	(972)	—
Distributions to stockholders	(105,367)	(87,015)
Net cash provided by (used in) financing activities	133,478	(91,408)
Effect of exchange rate changes on cash due to Venezuelan devaluation	575	—
Effect of exchange rate changes on cash	1,988	(1,561)
Net increase in cash	296,577	16,705
Cash and cash equivalents at beginning of period	152,945	98,649
Cash and cash equivalents at end of period	\$ 449,522	\$ 115,354

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

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Basis of Presentation and Significant Accounting Policies

Nature of Business

Frank's International is a global provider of highly engineered tubular services to the oil and gas industry. Frank's International provides services to leading exploration and production companies in both offshore and onshore environments with a focus on complex and technically demanding wells.

Basis of Presentation

The consolidated financial statements of Frank's International N.V. ("FINV"), a limited liability company organized under the laws of The Netherlands, for the three and nine months ended September 30, 2013 and 2012 include the activities of Frank's International C.V. ("FICV") and its wholly owned subsidiaries (collectively, the "Company," "we," "us" and "our"). All intercompany accounts and transactions have been eliminated for purposes of preparing these consolidated financial statements.

Certain information and footnote disclosures required by generally accepted accounting principles in the United States of America ("GAAP") for complete annual financial statements have been omitted and, therefore, these interim financial statements should be read in conjunction with the audited financial statements and other information contained in our final prospectus dated August 8, 2013 (the "Prospectus") as filed with the Securities and Exchange Commission (the "SEC") on August 9, 2013. In the opinion of management, these financial statements, which have been prepared pursuant to the rules of the SEC and GAAP for interim financial reporting, reflect all adjustments, which consisted only of normal recurring adjustments that were necessary for a fair statement of the interim periods presented. The results of operations for interim periods are not necessarily indicative of those for a full year.

The consolidated financial statements have been prepared on a historical cost basis using the United States dollar as the reporting currency.

Recast of Historical Financial Presentation

The reorganization discussed below has been reflected retroactively on a historical cost basis for all periods presented as it was a reorganization of entities under common control. The impact of the reorganization was to combine all of the previously separate entities under a single capital structure to facilitate the initial public offering ("IPO") of FINV. This presentation reflects the consolidation of each of the previously separate entities into FINV, the 25.7% noncontrolling interest in Frank's International C.V. ("FICV") and issuance of the Series A preferred stock, par value €0.01 per share (the "Preferred Stock") as outstanding for each period. This presentation allows comparability with prior periods, including earnings per share ("EPS") calculations.

Initial Public Offering and Reorganization

We completed our IPO on August 14, 2013. We sold 34,500,000 shares of common stock, including 4,500,000 shares of common stock pursuant to the underwriters' option to purchase additional shares, at an offering price of \$22.00 per share. After deducting underwriting discounts and commissions and offering expenses payable by us, we received net proceeds of approximately \$711.5 million. We used a portion of the proceeds from our IPO to repay in full the outstanding notes payable to FWW B.V. ("FWW"), an entity owned by the Mosing family, and expect to use the remainder for general corporate purposes.

Prior to the completion of our IPO, we engaged in a corporate reorganization. On August 1, 2013, each of Frank's International, Inc. ("FII"), Frank's Casing Crew and Rental Tools, Inc. ("FCC") and Frank's Tong Service, Inc. ("FTS"), subsidiaries of Mosing Holdings, Inc. ("Mosing Holdings"), converted from corporations to limited liability companies.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

On August 14, 2013, immediately prior to the completion of our IPO, Mosing Holdings contributed all of the outstanding membership interests in each of Frank's International, LLC, Frank's Casing Crew & Rental Tools, LLC and Frank's Tong Service, LLC to FICV in exchange for 52,976,000 shares of Preferred Stock and a 25.7% limited partnership interest in FICV. Excluded from the contribution were certain assets that generated a de minimus amount of revenue, including aircraft, real estate and life insurance policies, which were retained by Mosing Holdings. FINV contributed all of its foreign operating subsidiaries and a portion of the proceeds from the IPO to FICV. Following the Reorganization and the completion of the IPO, FINV's sole material asset consists of our ownership of 74.2% of the limited partnership interest and the 0.1% general partnership interest in FICV. Mosing Holdings holds the remaining 25.7% limited partnership interest in FICV. The above transactions are collectively referred to as the "Reorganization."

Mosing Holdings has the right to redeem all or a portion of its Preferred Stock for cash equal to the par value of each share of Preferred Stock redeemed plus any accrued but unpaid dividends thereon. Simultaneously, a proportionate amount of limited partner interests in FICV would then be exchanged for FINV common stock (the "Exchange"). As the Preferred Stock is redeemed, our noncontrolling interest will be reduced and our outstanding shares of common stock will increase.

Tax Receivable Agreement

On August 14, 2013, in connection with the completion of our IPO, we entered into a tax receivable agreement (the "TRA") with FICV and Mosing Holdings. The TRA generally provides for the payment by us to Mosing Holdings of 85% of the amount of the benefits, if any, in payments of U.S. federal, state and local income tax or franchise tax in periods after the IPO as a result of increases in tax basis and certain other tax benefits resulting from the Exchanges, including tax benefits attributable to payments under the TRA. We will retain the remaining 15% of cash savings, if any, in realized income tax savings. The payment obligations under the TRA are our obligations and not obligations of FICV. The term of the TRA continues until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the TRA.

If we elect to terminate the TRA early, we would be required to make an immediate payment equal to the present value of the anticipated future tax benefits subject to the TRA. In addition, payments due under the TRA will be similarly accelerated following certain mergers or other changes of control.

Venezuelan Currency Devaluation

In February 2013, the Venezuelan government announced a devaluation of the Bolivar Fuerte ("Bolívar"), resulting in the exchange rate declining from 4.3 to 6.3 Bolívars to the U.S. Dollar. As a result of the devaluation, we recorded a foreign currency loss of \$1.8 million during the three months ended March 31, 2013, related to the remeasurement of the Bolívar denominated net monetary assets of our Venezuelan operations as of the date of the devaluation. In future periods, foreign exchange gains (losses) arising due to the appreciation (depreciation) of the Bolívar versus the U.S. Dollar will result in benefits (charges) to the statements of income based on the value of the Bolívar-denominated net monetary assets at the time when such exchange rate changes become effective.

Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income ("AOCI"). This ASU requires entities to present separately, among other items, the amount of the change that is due to reclassifications, and the amount that is due to current period other comprehensive income. We adopted this guidance during the first quarter of 2013 and it did not have a material impact on our consolidated financial position, results of operations or cash flows as there are currently no items reclassified from AOCI.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

In July 2013, the FASB issued ASU No. 2013-11 relating to income taxes, which provides guidance on the presentation of unrecognized tax benefits. The intent is to better reflect the manner in which an entity would settle at the reporting date any additional income taxes that would result from the disallowance of a tax position when net operating loss carryforwards, similar tax losses, or tax credit carryforwards exist. This pronouncement is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We are evaluating the impact, if any, that the adoption of this standard may have on our consolidated financial statements.

Significant Accounting Policies

We adopted the following new accounting policies subsequent to the IPO.

Deferred Financing Costs

Deferred financing costs consist of fees and expenses paid in connection with the closing of credit facilities and are capitalized at the time of payment. Deferred financing costs are amortized using the straight line method over the term of the credit facilities.

Earnings Per Share

Basic EPS excludes dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities to issue common stock were exercised or converted to common stock.

Stock-Based Compensation

Our stock-based compensation plan provides for the granting of stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), dividend equivalent rights and other types of equity and cash incentive awards to employees, non-employee directors and service providers. Stock-based compensation expense is measured at the grant date of the share-based awards based on their value and is recognized on a straight-line basis over the vesting period, net of an estimated forfeiture rate and is included in general and administrative expense in the consolidated statements of income.

Our stock-based compensation currently consists of RSUs. The grant date fair value of the RSUs, which are not entitled to receive dividends until vested, is measured by reducing the share price at that date by the present value of the dividends expected to be paid during the requisite vesting period, discounted at the appropriate risk-free interest rate.

Note 2—Noncontrolling Interest

We hold an approximate 74.3% economic interest in FICV and are responsible for all operational, management and administrative decisions relating to FICV's business. As a result, the financial results of FICV are consolidated with ours and we record a noncontrolling interest on our consolidated balance sheet with respect to the remaining approximately 25.7% economic interest in FICV held by Mosing Holdings. Net income attributable to noncontrolling interest on the statements of income represents the portion of earnings or loss attributable to the economic interest in FICV held by Mosing Holdings. As a result of certain of the reorganization transactions, the allocable domestic income from FICV to FINV is now subject to U.S. taxation.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

A reconciliation of net income attributable to noncontrolling interest is detailed as follows (\$ in thousands):

	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2013
Net income	\$ 59,467	\$ 274,382
Add: Provision for U.S. income taxes of FINV (1)	13,838	13,838
Less: (Income) loss in FINV (2)	(583)	297
Net income subject to noncontrolling interest	72,722	288,517
Noncontrolling interest percentage	25.7%	25.7%
Net income attributable to noncontrolling interest	\$ 18,653	\$ 74,005

(1) Represents income tax expense attributable to U.S. operations of our 74.3% partnership interests in FICV.

(2) Represents results of operations for entities outside of FICV.

Prior year periods have not been included in the table above since income for U.S. operations for the periods was not subject to income tax.

Note 3—Discontinued Operations

On June 14, 2013, we sold a component of our Tubular Sales (previously referred to as Pipe and Products) segment, which manufactured centralizers for sales to third parties, and recognized a gain on sale of \$39.6 million, which is included in income from discontinued operations on the consolidated statements of income. As a result, for the three and nine months ended September 30, 2013 and 2012, the operations from that component have been reported as discontinued operations.

The following table presents the results of discontinued operations (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenues	\$ —	\$ 3,513	\$ 7,554	\$ 13,402
Income from discontinued operations	\$ —	\$ 1,251	\$ 3,036	\$ 5,653
Gain on sale of discontinued operations	—	—	39,629	—
Income from discontinued operations before income taxes	—	1,251	42,665	5,653
Income tax expense	—	—	30	63
Net income from discontinued operations	\$ —	\$ 1,251	\$ 42,635	\$ 5,590

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The major classes of assets and liabilities as of June 14, 2013, which were included in the disposition were as follows (in thousands):

Accounts receivable, net	\$ 1,968
Inventory	4,905
Prepaid and other current assets	53
Property, plant and equipment	2,260
Goodwill	1,497
Total assets	<u>\$ 10,683</u>
Total liabilities	<u>\$ 312</u>

Cash flows from discontinued operations are included with cash flows from continuing operations in the consolidated statements of cash flows for the nine months ended September 30, 2013 and 2012.

Note 4—Accounts Receivable, net

Accounts receivable at September 30, 2013 and December 31, 2012 were as follows (in thousands):

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Trade accounts receivable, net of allowance of \$13,001 and \$1,697, respectively	\$ 212,557	\$ 188,095
Unbilled receivables	117,484	108,713
Affiliated (1)	3,098	4,551
Other receivables	9,569	12,298
Total accounts receivable	<u>\$ 342,708</u>	<u>\$ 313,657</u>

(1) Amounts represent expenditures on behalf of non-consolidated affiliates and receivables for aircraft charter income.

Note 5—Inventories

Inventories at September 30, 2013 and December 31, 2012 were as follows (in thousands):

	<u>September 30, 2013</u>	<u>December 31, 2012</u>
Pipe and connectors	\$ 144,222	\$ 87,083
Finished goods	6,257	6,985
Work in progress	1,273	2,411
Raw materials, components and supplies	9,717	12,064
Total inventories	<u>\$ 161,469</u>	<u>\$ 108,543</u>

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 6—Property, Plant and Equipment

The following is a summary of property, plant and equipment at September 30, 2013 and December 31, 2012 (in thousands):

	Estimated Useful Lives in Years	September 30, 2013	December 31, 2012
Land	—	\$ 15,982	21,344
Buildings and improvements	39	56,368	82,005
Rental machinery and equipment	7	643,806	563,368
Machinery and equipment - other	7	50,378	43,086
Furniture, fixtures and computers	5	17,111	16,707
Automobiles and other vehicles	5	36,699	33,940
Aircraft	7	8,167	21,541
Leasehold improvements	7	5,453	4,843
Construction in progress - machinery and equipment	—	86,008	62,122
		919,972	848,956
Less: Accumulated depreciation		(446,087)	(422,456)
Total property, plant and equipment, net		\$ 473,885	\$ 426,500

Note 7—Other Assets

Other assets at September 30, 2013 and December 31, 2012 consisted of the following (in thousands):

	September 30, 2013	December 31, 2012
Marketable securities held in Rabbi Trust (1)	\$ 40,148	\$ 36,479
Split-dollar life insurance	—	18,799
Notes receivable - affiliates (2)	—	6,939
Deposits	1,839	—
Other	10,297	10,396
Total other assets	\$ 52,284	\$ 72,613

(1) See Note 10 – Fair Value Measurements

(2) Represented amounts due from members of the Mosing family related to split-dollar life insurance policy premiums that we maintained prior to the IPO.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 8—Accrued and Other Current Liabilities

Accrued and other current liabilities at September 30, 2013 and December 31, 2012 consisted of the following (in thousands):

	September 30, 2013	December 31, 2012
Accrued compensation	\$ 27,728	\$ 23,978
Accrued property and other taxes	24,253	19,627
Income taxes	18,025	4,220
Accrued inventory	12,566	17,273
Other accrued purchases	29,997	39,529
Total accrued and other current liabilities	<u>\$ 112,569</u>	<u>\$ 104,627</u>

Note 9—Long-term Debt

The following is summary of long-term debt at September 30, 2013 and December 31, 2012 (in thousands):

	September 30, 2013	December 31, 2012
Lines of credit	\$ —	\$ 2,000
Notes payable	394	4,464
Equipment financing	—	818
Capital lease obligations	188	86
	<u>582</u>	<u>7,368</u>
Less: current portion	(486)	(6,317)
Long-term portion	<u>96</u>	<u>1,051</u>
Notes payable - affiliated	—	468,563
Less: current portion	—	(323,476)
Long-term portion	<u>—</u>	<u>145,087</u>
Total long-term debt	<u>\$ 96</u>	<u>\$ 146,138</u>

In connection with the IPO, we entered into two revolving credit facilities with certain financial institutions: (i) a \$100.0 million revolving credit facility, including up to \$20.0 million for letters of credit and up to \$10.0 million in swingline loans, which matures in August 2018 (the “Five Year Facility”); and (ii) a \$100.0 million revolving credit facility which matures in August 2014 (the “One Year Facility” and, together with the Five Year Facility, the “Credit Facilities”). Subject to the terms of the credit agreements, we have the ability to increase the commitments under the Credit Facilities by \$150.0 million. As of September 30, 2013, we did not have any outstanding indebtedness under the Credit Facilities and had \$5.3 million in letters of credit outstanding. We incurred approximately \$1.0 million of deferred financing costs related to the new credit agreements.

Borrowings under the Credit Facilities bear interest, at our option, at either a base rate or an adjusted Eurodollar rate. Base rate loans under the credit facilities bear interest at a rate equal to the higher of (a) the prime rate as published in the Wall Street Journal, (b) the Federal Funds Effective Rate plus 0.50% or (c) the adjusted Eurodollar rate plus 1.00%, plus an applicable margin ranging from 0.50% to 1.50%, subject to adjustment based on the leverage ratio. Interest is in each case payable quarterly for base-rate loans. Eurodollar loans under the Credit Facilities bear interest at an adjusted Eurodollar rate equal to the Eurodollar rate for such interest period multiplied by the statutory reserves, plus an applicable margin ranging from 1.50% to 2.50%. Interest is payable at the end of applicable interest periods for Eurodollar loans, except that if the interest period for a Eurodollar loan is longer than three months, interest is paid at the end of each three-month period. The unused portion of the Five Year Facility is subject to a commitment fee of up to 0.375%.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The credit agreements contain various covenants that, among other things, limit our ability to grant certain liens, make certain loans and investments, enter into mergers or acquisition, enter into hedging transactions, change our lines of business, prepay certain indebtedness, enter into certain affiliate transactions, incur additional indebtedness or engage in certain asset dispositions. Additionally, the credit agreements limit our ability to incur additional indebtedness subject to certain exceptions.

The credit agreements also contain financial covenants, which, among other things, require us, on a consolidated basis, to maintain: (i) a ratio of total consolidated funded debt to adjusted EBITDA (as defined in the credit agreements) of not more than 2.50 to 1.0; and (ii) a ratio of EBITDA to interest expense of not less than 3.0 to 1.0. As of September 30, 2013, we were in compliance with all financial covenants under the credit agreements.

In addition, the credit agreements contain customary events of default, including, among others, the failure to make required payments, borrower's failure to comply with certain covenants or other agreements, borrower's breach of the representation and covenants contained in the agreements, borrower's default of certain other indebtedness, certain events of bankruptcy or insolvency and the occurrence of a change in control (as defined in the credit agreements).

Prior to the completion of the IPO, we had two revolving credit facilities, with available borrowing capacities of \$40.0 million and \$5.0 million. In connection with the completion of our IPO, these credit facilities were repaid in full and terminated.

Notes Payable - Affiliated

In 2012, we made a non-cash distribution of \$484.0 million to our owners in the form of two unsecured promissory notes payable to FWW. Interest was charged on the notes at the applicable short-term monthly applicable federal rate as published by the Internal Revenue Service. In connection with the completion of our IPO, the \$415.3 million balance of the notes to FWW was repaid in full. We also had various notes payable – affiliated, which were either repaid in full or transferred to Mosing Holdings in connection with the completion of our IPO.

All other affiliated indebtedness existing prior to the IPO was repaid.

Note 10—Fair Value Measurements

We follow fair value measurement authoritative accounting guidance for measuring fair values of assets and liabilities in financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that market participants who are independent, knowledgeable, and willing and able to transact would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. We are able to classify fair value balances based on the observability of these inputs. The authoritative guidance for fair value measurements establishes three levels of the fair value hierarchy, defined as follows:

- Level 1: Unadjusted, quoted prices for identical assets or liabilities in active markets.
- Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Significant, unobservable inputs for use when little or no market data exists, requiring a significant degree of judgment.

The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. Depending on the particular asset or liability, input availability can vary depending on factors such as product type, longevity of a product in the market and other particular transaction conditions. In some cases, certain inputs used to measure fair value may be categorized into different levels of the fair value hierarchy. For disclosure purposes under the accounting guidance, the lowest level that contains significant inputs used in valuation should be chosen.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Financial Assets and Liabilities

A summary of financial assets and liabilities that are measured at fair value on a recurring basis, as of September 30, 2013 and December 31, 2012 were as follows (in thousands):

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
September 30, 2013				
Assets:				
Investments available-for-sale:				
Marketable securities - deferred compensation plan	\$ 40,148	\$ —	\$ —	\$ 40,148
Marketable securities - other	4,520	—	—	4,520
Liabilities:				
Marketable securities - deferred compensation plan	35,829	—	—	35,829
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2012				
Assets:				
Investments available-for-sale:				
Marketable securities - deferred compensation plan	\$ 36,479	\$ —	\$ —	\$ 36,479
Marketable securities - other	3,717	—	—	3,717
Liabilities:				
Marketable securities - deferred compensation plan	30,143	—	—	30,143

Our investments associated with our deferred compensation plan consist of marketable securities and mutual funds that are publicly traded and for which market prices are readily available. Other marketable securities are included in other assets on the consolidated balance sheets.

Assets and Liabilities Measured at Fair Value on a Non-recurring Basis

We apply the provisions of the fair value measurement standard to our non-recurring, non-financial measurements including business combinations as well as impairment related to goodwill and other long-lived assets. For business combinations, the purchase price is allocated to the assets acquired and liabilities assumed based on a discounted cash flow model for most intangibles as well as market assumptions for the valuation of equipment and other fixed assets. We utilize a discounted cash flow model in evaluating impairment considerations related to goodwill and long-lived assets. Given the unobservable nature of the inputs, the discounted cash flow models are deemed to use Level 3 inputs. There were no non-recurring measurements during the interim periods presented.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Other Fair Value Considerations

The carrying values on our consolidated balance sheet of our cash and cash equivalents, trade accounts receivable, other current assets, accounts payable, accrued and other current liabilities and lines of credit approximates fair values due to their short maturities.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. It was not practical to determine the fair value of the long-term portion of the notes payable to FWW at December 31, 2012 due to their related-party nature. The balance of the notes due FWW was repaid in August 2013.

Note 11—Preferred Stock

At September 30, 2013, we had 52,976,000 shares of Preferred Stock issued and outstanding, which are held by Mosing Holdings. Each share of Preferred Stock has a liquidation preference equal to its par value of €0.01 per share and is entitled to an annual dividend equal to 0.25% of its par value. Additionally, each share of Preferred Stock entitles its holder to one vote. Preferred stockholders vote with the common stock as a single class on all matters presented to FINV's shareholders for their vote.

The FICV Limited Partnership Agreement contains provisions linking each share of Preferred Stock to a proportionate portion of the limited partnership interest in FICV held by Mosing Holdings. Mosing Holdings has the right to redeem all or a portion of its Preferred Stock for cash equal to the par value of each share of Preferred Stock redeemed plus any accrued but unpaid dividends thereon. Simultaneously, a proportionate amount of limited partner interests in FICV would then be exchanged for FINV common stock. As of September 30, 2013, there have been no redemptions of the Preferred Stock or conversions of the FICV limited partner interests. Exchanges are subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

The Preferred Stock is classified outside of permanent equity in our consolidated balance sheet at its redemption value of par plus accrued and unpaid dividends because the conversion provisions are not solely within our control.

Note 12—Related Party Transactions

We have engaged in certain transactions with other companies related to us by common ownership. We have entered into various operating leases to lease office space from an affiliated partnership. Rent expense related to these leases was \$1.4 million and \$0.8 million for the three months ended September 30, 2013 and 2012, respectively, and \$3.1 million and \$2.3 million for the nine months ended September 30, 2013 and 2012, respectively.

We are a party to certain agreements relating to the rental of aircraft to Western Airways ("WA"), an entity owned by the Mosing family. Prior to the IPO, we were under agreements, whereby we leased the aircraft as needed for a rental fee per hour and reimbursed WA for a management fee and hangar rental. The rental fees exceeded the reimbursement costs and we recorded net charter income. Subsequent to the IPO, we entered into new agreements with WA for the aircraft that was retained by us whereby we are paid a flat monthly fee. We recorded net charter income of \$0.3 million and \$0.8 million for the three months ended September 30, 2013 and 2012, respectively, and \$0.2 million and \$0.7 million for the nine months ended September 30, 2013 and 2012, respectively.

We had receivables totaling \$5.6 million at December 31, 2012, due from our chief executive officer and certain members of the Mosing family, relating to amounts owed to us for split-dollar life insurance policy premiums that we previously maintained. The receivables were recorded in other assets on the consolidated balance sheets. The cash surrender value of \$18.8 million related to such policies was recorded in other assets as of December 31, 2012. We recorded unrealized gains of \$0.8 million and \$0.3 million for the nine months ended September 30, 2013 and 2012, respectively, in general and administrative expenses on the consolidated statements of income related to the change in the cash surrender value of the policies. The split dollar life insurance policies were transferred to Mosing Holdings in connection with the Reorganization.

In addition, we had two outstanding notes payable to FWW that were repaid in full in connection with the completion of our IPO. See Note 9 – Long-term Debt.

Note 13—Earnings Per Common Share

Basic earnings per common share is determined dividing net income, less preferred stock dividends, by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by dividing net income attributable to common stockholders by the weighted average number of common shares outstanding, assuming all potentially dilutive shares were issued.

We apply the treasury stock method to determine the dilutive weighted average common shares represented by the unvested restricted stock units. The diluted earnings per share calculation assumes exchange of 100% of our outstanding Preferred Stock on an as if converted basis. Accordingly, the numerator is also adjusted to include the earnings allocated to the noncontrolling interest after taking into account the tax effect of such exchange.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the basic and diluted earnings per share calculations (in thousands, except per share amounts):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Numerator - Basic				
Income from continuing operations	\$ 59,467	\$ 90,299	\$ 231,747	\$ 259,129
Less: Net income attributable to noncontrolling interest	(18,653)	(23,483)	(74,005)	(67,900)
Less: Preferred stock dividends	—	—	—	—
Discontinued operations attributable to noncontrolling interest	—	321	10,935	1,434
Income from continuing operations attributable to common shareholders	40,814	67,137	168,677	192,663
Income from discontinued operations attributable to FINV	—	930	31,700	4,156
Net income attributable to common shareholders	<u>\$ 40,814</u>	<u>\$ 68,067</u>	<u>\$ 200,377</u>	<u>\$ 196,819</u>
Numerator - Diluted				
Income from continuing operations applicable to common shareholders	\$ 40,814	\$ 67,137	\$ 168,677	\$ 192,663
Add: Net income attributable to noncontrolling interest (1)	13,893	23,483	69,245	67,900
Add: Preferred stock dividends	—	—	—	—
Diluted income from continuing operations applicable to common shareholders	54,707	90,620	237,922	260,563
Income from discontinued operations attributable to FINV	—	930	31,700	4,156
Dilutive net income available to common shareholders	<u>\$ 54,707</u>	<u>\$ 91,550</u>	<u>\$ 269,622</u>	<u>\$ 264,719</u>
Denominator				
Basic weighted average common shares	137,024	119,024	125,090	119,024
Exchange of noncontrolling interest for common stock (Note 11)	52,976	52,976	52,976	52,976
Restricted stock units	435	—	145	—
Diluted weighted average common shares	<u>190,435</u>	<u>172,000</u>	<u>178,211</u>	<u>172,000</u>
Basic earnings per common share:				
Continuing operations	\$ 0.30	\$ 0.56	\$ 1.35	\$ 1.62
Discontinued operations	—	0.01	0.25	0.03
Total	<u>\$ 0.30</u>	<u>\$ 0.57</u>	<u>\$ 1.60</u>	<u>\$ 1.65</u>
Diluted earnings per common share:				
Continuing operations	\$ 0.29	\$ 0.53	\$ 1.33	\$ 1.52
Discontinued operations	—	—	0.18	0.02
Total	<u>\$ 0.29</u>	<u>\$ 0.53</u>	<u>\$ 1.51</u>	<u>\$ 1.54</u>

(1) Adjusted for additional tax expense of \$4.8 million for the three and nine months ended September 30, 2013 upon the assumed conversion of the Preferred Stock.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 14—Stock-Based Compensation

2013 Long-Term Incentive Plan

In connection with the completion of our IPO, we adopted the Frank's International N.V. 2013 Long-Term Incentive Plan (the "LTIP"), under which stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units, dividend equivalent rights and other types of equity and cash incentive awards may be granted to employees, non-employee directors and service providers. The LTIP expires after 10 years, unless prior to that date the maximum number of shares available for issuance under the plan has been issued or our board of directors terminates the plan. There are 20 million shares of common stock reserved for issuance under the LTIP.

Restricted Stock Units

Subsequent to the completion of the IPO and pursuant to the LTIP, we issued 3,522,158 RSUs to management and employees. Substantially all RSUs granted under the LTIP vest ratably over a period of three years (one-third on each anniversary of the grant), except for certain grants that vest 20% on the first three anniversaries and the remaining 40% at the end of three and a half years.

Employees granted restricted stock awards are not entitled to dividends declared on the underlying shares while the restricted stock is unvested. As such, the grant date fair value of the award is measured by reducing the grant date price of our common stock by the present value of the dividends expected to be paid on the underlying shares during the requisite service period, discounted at the appropriate risk-free interest rate. The resulting fair value of the restricted stock awards granted was \$21.03. Compensation expense is recognized ratably over the vesting period. As of September 30, 2013, we assumed no annual forfeiture rate because of our lack of turnover and history for this type of award.

Stock-based compensation expense relating to RSUs for both the three and nine months ended September 30, 2013, was \$2.5 million and is included in general and administrative expenses on the consolidated statements of income. Unamortized stock compensation expense as of September 30, 2013 relating to RSUs totaled approximately \$75.0 million which will be expensed over a weighted average period of 3.2 years.

Employee Stock Purchase Plan

In connection with the completion of our IPO, we adopted the Frank's International N.V. Employee Stock Purchase Plan (the "ESPP"), which will become effective January 1, 2014. The ESPP is designed to enable eligible employees to periodically purchase shares of our common stock at a discount. Purchases are accomplished through participation in discrete offering periods. The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code. We have reserved three million shares of our common stock for issuance under the ESPP.

Note 15—Income Taxes

Prior to the Reorganization, FII, FCC and FTS were classified as S-corporations for U.S. income tax purposes and therefore were not subject to federal or state income taxation. Following the Reorganization, FICV is taxed as a partnership for U.S. federal income tax purposes and its domestic subsidiaries are classified as limited liability companies not subject to federal or state income taxation. As a partner in FICV, we are now subject to U.S. taxation on our allocable share of U.S. taxable income and the noncontrolling member will pay taxes with respect to its allocable share of U.S. taxable income.

For interim financial reporting, we estimate the annual tax rate based on projected pre-tax income for the full year and record a quarterly income tax provision (benefit) in accordance with Accounting Standards Codification Topic 740-270, *Income taxes—Interim Reporting*. As the year progresses, we refine the estimate of the year's pre-tax income as new information becomes available. The continual estimation process often results in a change to the expected effective tax rate for the year. When this occurs, we adjust the income tax provision (benefit) during the quarter in which the change in estimate occurs so that the year to date provision reflects the expected annual tax rate.

FRANK'S INTERNATIONAL N.V.
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Our effective tax rate on income from continuing operations before income taxes was 25.3% and 8.7% for the three months ended September 30, 2013 and 2012, respectively, and 12.3% and 8.5% for the nine months ended September 30, 2013 and 2012, respectively. The tax rate for the three and nine months ended September 30, 2013 and 2012 is lower than the U.S. statutory income tax rate of 35% due to the exclusion of taxes on U.S. domestic income through August 14, 2013, the IPO date, as well as lower statutory tax rates in certain foreign jurisdictions where we operate.

As of September 30, 2013, there were no significant changes to our unrecognized tax benefits as reported in our audited financial statements for the year ended December 31, 2012.

Note 16—Commitments and Contingencies

We are the subject of lawsuits and claims arising in the ordinary course of business. Management cannot predict the ultimate outcome of such lawsuits and claims. While the lawsuits and claims are asserted for amounts that may be material should an unfavorable outcome be the result, management does not expect that the currently pending matters will have a material adverse effect on our financial position or results of operations.

Note 17—Segment Information

Reporting Segments

Operating segments are defined as components of an enterprise for which separate financial information is available that is regularly evaluated by the chief operating decision maker ("CODM") in deciding how to allocate resources and assess performance. We are comprised of three reportable segments: International Services, U.S. Services and Tubular Sales. We previously referred to the Tubular Sales segment as the Pipe and Products segment. We renamed this segment to better describe the business activities conducted within this segment after the sale of our centralizer manufacturing business (See Note 3).

The International Services segment provides tubular services in international offshore markets and in several onshore international regions. Our customers in these international markets are primarily large exploration and production companies, including blue-chip integrated oil and gas companies and national oil and gas companies.

The U.S. Services segment provides tubular services in almost all of the active onshore oil and gas drilling regions in the U.S., including the Permian Basin, Bakken Shale, Barnett Shale, Eagleford Shale, Haynesville Shale, Marcellus Shale and Utica Shale, as well as in the U.S. Gulf of Mexico.

The Tubular Sales segment designs and manufactures certain products that we sell or rent directly to external customers, including large outside diameter ("OD") pipe connectors and casing attachments. Finally, we distribute large OD pipe manufactured by third parties that we have equipped with weld-on end connections.

The operating results of the Tubular Sales component that was sold in June 2013 have been accounted for as discontinued operations and have been excluded from the segment results below.

Adjusted EBITDA

We define Adjusted EBITDA as income from continuing operations before net interest income or expense, depreciation and amortization, income tax benefit or expense, asset impairments, gain or loss on sale of assets, foreign currency gain or loss, stock-based compensation, other non-cash adjustments and unusual or non-recurring charges. Our CODM uses Adjusted EBITDA as the primary measure of segment reporting performance.

FRANK'S INTERNATIONAL N.V.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents a reconciliation of Segment Adjusted EBITDA to income from continuing operations (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Segment Adjusted EBITDA:				
International Services	\$ 48,752	\$ 55,957	\$ 153,134	\$ 165,872
U.S. Services	47,215	57,178	149,494	149,213
Tubular Sales	5,338	2,464	25,893	16,051
Corporate and other	(33)	5	3	(81)
Adjusted EBITDA Total	101,272	115,604	328,524	331,055
Interest income (expense), net	170	112	(493)	305
Income tax expense	(20,185)	(8,634)	(32,569)	(24,028)
Depreciation and amortization	(19,887)	(16,827)	(56,593)	(48,480)
Loss on sale of assets	(124)	(36)	(68)	(141)
Foreign currency gain (loss)	3,161	80	(2,114)	418
Stock-based compensation expense	(2,520)	—	(2,520)	—
IPO transaction-related costs	(2,420)	—	(2,420)	—
Income from continuing operations	\$ 59,467	\$ 90,299	\$ 231,747	\$ 259,129

The following tables set forth certain financial information with respect to our reportable segments. Included in “Corporate and Other” are intersegment eliminations and costs associated with activities of a general nature (in thousands):

	International Services	U.S. Services	Tubular Sales	Corporate and Other	Total
Three Months Ended September 30, 2013					
Revenue from external customers	\$ 121,680	\$ 108,126	\$ 40,296	\$ —	\$ 270,102
Inter-segment revenues	1,253	5,122	17,775	(24,150)	—
Adjusted EBITDA	48,752	47,215	5,338	(33)	101,272
Three Months Ended September 30, 2012					
Revenue from external customers	\$ 115,847	\$ 112,286	\$ 38,274	\$ —	\$ 266,407
Inter-segment revenues	722	4,518	13,393	(18,633)	—
Adjusted EBITDA	55,957	57,178	2,464	5	115,604
Nine Months Ended September 30, 2013					
Revenue from external customers	\$ 353,041	\$ 321,295	\$ 121,314	\$ —	\$ 795,650
Inter-segment revenues	2,700	15,452	53,455	(71,607)	—
Adjusted EBITDA	153,134	149,494	25,893	3	328,524
Nine Months Ended September 30, 2012					
Revenue from external customers	\$ 339,370	\$ 315,589	\$ 109,231	\$ —	\$ 764,190
Inter-segment revenues	1,596	13,692	32,811	(48,099)	—
Adjusted EBITDA	165,872	149,213	16,051	(81)	331,055

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Form 10-Q”) includes certain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements include those that express a belief, expectation or intention, as well as those that are not statements of historical fact. Forward-looking statements include information regarding our future plans and goals and our current expectations with respect to, among other things:

- our business strategy and prospects for growth;
- our cash flows and liquidity;
- our financial strategy, budget, projections and operating results;
- the amount, nature and timing of capital expenditures;
- the availability and terms of capital;
- competition and government regulations; and
- general economic conditions.

Our forward-looking statements are generally accompanied by words such as “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “plan,” “goal” or other terms that convey the uncertainty of future events or outcomes, although not all forward-looking statements contain such identifying words. The forward-looking statements in this Form 10-Q speak only as of the date of this report; we disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. Forward-looking statements are not assurances of future performance and involve risks and uncertainties. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks, contingencies and uncertainties include, but are not limited to, the following:

- the level of activity in the oil and gas industry;
- the volatility of oil and gas prices;
- unique risks associated with our offshore operations;
- political, economic and regulatory uncertainties in our international operations;
- our ability to develop new technologies and products;
- our ability to protect our intellectual property rights;
- our ability to employ and retain skilled and qualified workers;
- the level of competition in our industry;
- operational safety laws and regulations; and
- weather conditions and natural disasters

These and other important factors that could affect our operating results and performance are described in (1) “Risk Factors” in Part II, Item IA of this Form 10-Q, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part I, Item 2 of this Form 10-Q, and elsewhere within this Form 10-Q, (2) our final prospectus dated August 8, 2013 and filed with the SEC on August 9, 2013 (File No. 333-188536) (the “Prospectus”), (3) our other reports and filings we make with the SEC from time to time and (4) other announcements we make from time to time. Should one or more of the risks or uncertainties described in the documents above or in this Form 10-Q occur, or should underlying assumptions prove incorrect, our actual results, performance, achievements or plans could differ materially from those expressed or implied in any forward-looking statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited consolidated financial statements and the related notes thereto included elsewhere in this Form 10-Q and the audited consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the year ended December 31, 2012 included in the Prospectus.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in any forward-looking statement because of various factors, including those described in the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" of this Form 10-Q.

Overview of Business

We are a 75 year-old global provider of highly engineered tubular services to the oil and gas industry. We provide our services to leading exploration and production companies in both offshore and onshore environments, with a focus on complex and technically demanding wells.

We conduct our business through three operating segments:

- *International Services.* We currently provide our services in approximately 60 countries on six continents. Our customers in these international markets are primarily large exploration and production companies, including integrated oil and gas companies and national oil and gas companies.
- *U.S. Services.* We service customers in the deep water areas of the U.S. Gulf of Mexico. In addition, we have a significant presence in almost all of the active onshore oil and gas drilling regions in the U.S., including the Permian Basin, Bakken Shale, Barnett Shale, Eagle Ford Shale, Haynesville Shale, Marcellus Shale and Utica Shale.
- *Tubular Sales.* We also design and manufacture certain products that we sell or rent directly to external customers, including large outside diameter ("OD") pipe connectors and casing attachments. We also provide specialized fabrication and welding services in support of deep water projects in the U.S. Gulf of Mexico, including drilling and production risers, flowlines and pipeline end terminations, as well as long length tubulars (up to 300 feet in length) for use as caissons or pilings. Finally, we distribute large OD pipe manufactured by third parties. We previously referred to the Tubular Sales segment as the Pipe and Products segment. We renamed this segment to better describe the business activities conducted within this segment after the sale of our centralizer manufacturing business.

How We Generate Our Revenue

A significant majority of our services revenues are derived primarily from two sources:

- personnel rates for our specially trained employees who perform tubular services for our customers; and
- rental rates for the suite of products and equipment that our employees use to perform tubular services.

In addition, our customers typically reimburse us for transportation costs that we incur in connection with transporting our products and equipment from our staging areas to the customers' job sites.

In contrast, our Tubular Sales revenues are derived from sales of certain products, including large OD pipe connectors, casing attachments and large OD pipe manufactured by third parties, directly to external customers.

How We Evaluate Our Operations

We use a number of financial and operational measures to routinely analyze and evaluate the performance of our business, including revenue, Adjusted EBITDA and Adjusted EBITDA margin and safety performance.

Revenue

We analyze our revenue growth by comparing actual monthly revenue to our internal projections for each month to assess our performance. We also assess incremental changes in our monthly revenue across our operating segments to identify potential areas for improvement.

Adjusted EBITDA and Adjusted EBITDA Margin

We define Adjusted EBITDA as income from continuing operations before net interest income or expense, depreciation and amortization, income tax benefit or expense, asset impairments, gain or loss on sale of assets, foreign currency gain or loss, stock-based compensation, other non-cash adjustments and unusual or non-recurring charges. Adjusted EBITDA margin reflects our Adjusted EBITDA as a percentage of our revenues. We review Adjusted EBITDA and Adjusted EBITDA margin on both a consolidated basis and on a segment basis. We use Adjusted EBITDA and Adjusted EBITDA margin to assess our financial performance because it allows us to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and items outside the control of our management team (such as income tax rates). Adjusted EBITDA and Adjusted EBITDA margin have limitations as analytical tools and should not be considered as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with generally accepted accounting principles in the U.S. ("GAAP").

The following table presents a reconciliation of income from continuing operations to Adjusted EBITDA, our most directly comparable GAAP performance measure, for each of the periods presented (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Income from continuing operations	\$ 59,467	\$ 90,299	\$ 231,747	\$ 259,129
Interest (income) expense, net	(170)	(112)	493	(305)
Depreciation and amortization	19,887	16,827	56,593	48,480
Income tax expense	20,185	8,634	32,569	24,028
Loss on sale of assets	124	36	68	141
Foreign currency (gain) loss	(3,161)	(80)	2,114	(418)
Stock-based compensation expense	2,520	—	2,520	—
IPO transaction-related costs	2,420	—	2,420	—
Adjusted EBITDA	<u>\$ 101,272</u>	<u>\$ 115,604</u>	<u>\$ 328,524</u>	<u>\$ 331,055</u>

For a reconciliation of our Adjusted EBITDA on a segment basis to the most comparable measure calculated in accordance with GAAP, see “—Operating Segment Results.”

Safety Performance

Maintaining a strong safety record is a critical component of our operational success. Many of our larger customers have safety standards we must satisfy before we can perform services for them. We continually monitor our safety culture through the use of employee safety surveys and trend analysis, and we modify existing programs or develop new programs according to the data obtained therefrom. We measure safety by tracking the total recordable incident rate (“TRIR”) and the lost time incident rate (“LTIR”), which are reviewed on both a monthly and rolling twelve-month basis.

Outlook

We believe the long-term outlook for the tubular services businesses is favorable and the following trends impacting our industry have increased the demand for our services and will continue to support the sustained growth that we have experienced to date:

- increasing global demand for crude oil and natural gas has spurred increases in energy development spending;
- significant new well development is required to replace naturally declining production;
- increasing offshore and deep water drilling and development activity;
- increasing complexity and costs of well construction; and
- heightened focus on quality, safety and environmental factors.

Results of Operations

The following table presents our consolidated results for the periods presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenues:				
Equipment rentals and services	\$ 228,069	\$ 225,937	\$ 668,582	\$ 647,307
Products (1)	42,033	40,470	127,068	116,883
Total revenue	270,102	266,407	795,650	764,190
Operating expenses:				
Cost of revenues, exclusive of depreciation and amortization				
Equipment rentals and services	86,932	74,444	248,104	222,418
Products	23,862	33,063	72,481	83,367
General and administrative expenses	64,104	46,524	160,016	134,005
Depreciation and amortization	19,887	16,827	56,593	48,480
Loss on sale of assets	124	36	68	141
Operating income	75,193	95,513	258,388	275,779
Other income (expense):				
Other income	1,128	3,228	8,535	6,655
Interest income (expense), net	170	112	(493)	305
Foreign currency gain (loss)	3,161	80	(2,114)	418
Total other income (expense)	4,459	3,420	5,928	7,378
Income from continuing operations before income tax expense	79,652	98,933	264,316	283,157
Income tax expense	20,185	8,634	32,569	24,028
Income from continuing operations	59,467	90,299	231,747	259,129
Income from discontinued operations	—	1,251	42,635	5,590
Net income	59,467	91,550	274,382	264,719
Less: Net income attributable to non controlling interest	18,653	23,483	74,005	67,900
Net income attributable to Frank's International N.V.	\$ 40,814	\$ 68,067	\$ 200,377	\$ 196,819

(1) Consolidated products revenue includes a small amount of revenues attributable to the U.S. Services and International Services segments.

Consolidated Results of Operations

Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012

Revenues. Revenues from external customers, excluding intersegment sales, for the three months ended September 30, 2013 increased by \$3.7 million, or 1.4%, to \$270.1 million from \$266.4 million for the three months

ended September 30, 2012. Revenues for our International Services segment increased approximately \$5.8 million as a result of an increase in demand for tubular services while revenues for our U.S. Services segment decreased approximately \$4.1 million primarily as a result of lower onshore rig counts in areas in which we operate. Revenues for our Tubular Sales segment increased approximately \$2.0 million due to an increase in international pipe sales.

Cost of revenues, exclusive of depreciation and amortization. Cost of revenues for the three months ended September 30, 2013 increased by \$3.3 million, or 3.1%, to \$110.8 million from \$107.5 million for the three months ended September 30, 2012, which was proportionate to our increase in revenues.

General and administrative expenses. General and administrative expenses ("G&A") for the three months ended September 30, 2013 increased by \$17.6 million, or 37.8%, to \$64.1 million from \$46.5 million for the three months ended September 30, 2012 due to increases in bad debt expense of \$5.9 million in our Latin America region, compensation related costs of \$2.3 million and other property and sales taxes of \$1.8 million. We incurred approximately \$2.4 million in non-recurring expenses related to the closing of our IPO and \$2.5 million of stock-based compensation expense upon adoption of the long-term incentive plan.

Depreciation and amortization. Depreciation and amortization for the three months ended September 30, 2013 increased by \$3.1 million, or 18.2%, to \$19.9 million from \$16.8 million for the three months ended September 30, 2012. The increase was primarily attributable to assets placed in service in the fourth quarter of 2012 and in the first nine months of 2013.

Other income. Other income for the three months ended September 30, 2013 decreased by \$2.1 million, or 65.1%, to \$1.1 million from \$3.2 million for the three months ended September 30, 2012 primarily due to the receipt of \$2.9 million in death benefit proceeds in 2012 from the passing of a related party.

Foreign currency gain (loss). Foreign currency gain for the three months ended September 30, 2013 increased by \$3.1 million compared from \$0.1 million for the three months ended September 30, 2012 due to favorable fluctuations in foreign currency exchange rates.

Income tax expense. Income tax expense for the three months ended September 30, 2013 increased by \$11.6 million, or 133.8%, to \$20.2 million from \$8.6 million for the three months ended September 30, 2012 primarily due to our domestic operations becoming taxable subsequent to the IPO, as well as a change in mix of earnings among countries. We are subject to many U.S. and foreign tax jurisdictions and many tax agreements and treaties among the various taxing authorities. Our operations in these different jurisdictions are taxed on various bases such as income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits), and withholding taxes based on revenues; consequently, the relationship between our pre-tax income from operations and our income tax provision varies from period to period.

Income from Discontinued Operations. The discussions above discuss only continuing operations for the three months ended September 30, 2013 and 2012. There were no discontinued operations in the third quarter of 2013 as we sold the component of our Tubular Sales segment in the second quarter of 2013. See Note 3 - Discontinued Operations of Notes to Consolidated Financial Statements.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Revenues. Revenues from external customers, excluding intersegment revenues, for the nine months ended September 30, 2013 increased by \$31.5 million, or 4.1%, to \$795.7 million from \$764.2 million for the nine months ended September 30, 2012. Revenues for our International and U.S. Services segments increased approximately \$13.7 million and \$5.7 million, respectively, as a result of an increase in demand for tubular services, and revenues for our Tubular Sales segment increased approximately \$12.1 million due to an increase in international pipe sales.

Cost of revenues, exclusive of depreciation and amortization. Cost of revenues for the nine months ended September 30, 2013 increased by \$14.8 million, or 4.8%, to \$320.6 million from \$305.8 million for the nine months ended September 30, 2012. The increase was primarily attributable to increases in the cost of products of \$9.6 million and compensation related costs of \$7.9 million, partially offset by a \$2.4 million decrease in equipment rentals.

General and administrative expenses. G&A expenses for the nine months ended September 30, 2013 increased by \$26.0 million, or 19.4%, to \$160.0 million from \$134.0 million for the nine months ended September 30, 2012 primarily due to increases in bad debt expense of \$9.9 million in our Latin America region, compensation related costs of \$6.5 million and other property and sales taxes of \$3.6 million. We incurred approximately \$2.4 million in non-recurring expenses related to the closing of our IPO and \$2.5 million of stock-based compensation expense upon adoption of the long-term incentive plan.

Depreciation and amortization. Depreciation and amortization for the nine months ended September 30, 2013 increased by \$8.1 million, or 16.7%, to \$56.6 million from \$48.5 million for the nine months ended September 30, 2012. The increase was primarily attributable to assets placed in service in the fourth quarter of 2012 and in the first nine months of 2013.

Other income. Other income for the nine months ended September 30, 2013 increased by \$1.8 million, or 28.2%, to \$8.5 million from \$6.7 million for the nine months ended September 30, 2012 primarily due to the receipt of \$4.1 million in additional royalties, a \$1.6 million value-added tax refund and a workmen's compensation dividend of \$1.1 million, all of which were partially offset by death benefit proceeds of \$4.9 million received in 2012.

Income tax expense. Income tax expense for the nine months ended September 30, 2013 increased by \$8.6 million, or 35.5%, to \$32.6 million from \$24.0 million for the nine months ended September 30, 2012 primarily due to our domestic operations becoming taxable subsequent to the IPO, as well as a change in mix of earnings among countries. We are subject to many U.S. and foreign tax jurisdictions and many tax agreements and treaties among the various taxing authorities. Our operations in these different jurisdictions are taxed on various bases such as income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits), and withholding taxes based on revenues; consequently, the relationship between our pre-tax income from operations and our income tax provision varies from period to period.

Foreign currency gain (loss). Foreign currency loss was \$2.1 million for the nine months ended September 30, 2013 compared to a \$0.4 million gain for the nine months ended September 30, 2012. The increase in foreign currency loss was due to unfavorable fluctuations in foreign currency exchange rates.

Income from Discontinued Operations. The discussions above discuss only continuing operations for the nine months ended September 30, 2013 and 2012. During the nine months ended September 30, 2013, we recognized a gain of \$39.6 million upon the sale of a component of our Tubular Sales segment. See Note 3 - Discontinued Operations of Notes to Consolidated Financial Statements.

Operating Segment Results

The following table presents revenues and Adjusted EBITDA by segment, and a reconciliation of Adjusted EBITDA to net income from continuing operations, which is the most comparable GAAP financial measure (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Revenue:				
International Services	\$ 122,933	\$ 116,569	\$ 355,741	\$ 340,966
U.S. Services	113,248	116,804	336,747	329,281
Tubular Sales	58,071	51,667	174,769	142,042
Intersegment sales	(24,150)	(18,633)	(71,607)	(48,099)
Total	\$ 270,102	\$ 266,407	\$ 795,650	\$ 764,190
Segment Adjusted EBITDA:				
International Services	\$ 48,752	\$ 55,957	\$ 153,134	\$ 165,872
U.S. Services	47,215	57,178	149,494	149,213
Tubular Sales	5,338	2,464	25,893	16,051
Corporate and other (1)	(33)	5	3	(81)
Adjusted EBITDA Total	101,272	115,604	328,524	331,055
Interest income (expense), net	170	112	(493)	305
Income tax expense	(20,185)	(8,634)	(32,569)	(24,028)
Depreciation and amortization	(19,887)	(16,827)	(56,593)	(48,480)
Loss on sale of assets	(124)	(36)	(68)	(141)
Foreign currency gain (loss)	3,161	80	(2,114)	418
Stock-based compensation expense	(2,520)	—	(2,520)	—
IPO transaction-related costs	(2,420)	—	(2,420)	—
Income from continuing operations	\$ 59,467	\$ 90,299	\$ 231,747	\$ 259,129

(1) Corporate and other represents amounts not directly associated with an operating segment.

Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012

International Services

Revenue for the International Services segment increased by \$6.4 million for the three months ended September 30, 2013, or 5.5%, compared to the same period in 2012, primarily as a result of increased service volume due to an expanded presence in new locations and increased demand for our services from existing customers.

Adjusted EBITDA for the International Services segment decreased by \$7.2 million for the three months ended September 30, 2013, or 12.9%, compared to the same period in 2012, primarily due to higher compensation related costs of \$6.0 million, additional bad debt expense of \$5.9 million in our Latin America region and \$0.9 million of transportation costs, partially offset by the \$6.4 million increase in revenue described above.

U.S. Services

Revenue for the U.S. Services segment decreased by \$3.6 million for the three months ended September 30, 2013, or 3.0%, compared to the same period in 2012 primarily due to a \$2.8 million decrease in onshore services as a result of a 6% decline in average onshore rig counts in areas in which we operate and an \$0.8 million decrease in offshore services.

Adjusted EBITDA for the U.S. Services segment decreased by \$10.0 million for the three months ended September 30, 2013, or 17.4%, compared to the same period in 2012 primarily due to higher compensation related costs of \$4.2 million and death benefit proceeds of \$2.0 million received in 2012, in addition to the \$3.6 million decrease in revenue described above.

Tubular Sales

Revenue for the Tubular Sales segment increased by \$6.4 million for the three months ended September 30, 2013, or 12.4%, compared to the same period in 2012 primarily due to an increase of \$6.9 million in pipe sales in deepwater markets and an increase of \$5.1 million in our International and U.S. Services segments from our manufacturing component. Partially offsetting this increase were lower domestic pipe sale revenues of \$3.9 million as certain customers are concentrating their efforts on exploratory work with plans for development later in the year and into 2014.

Adjusted EBITDA for the Tubular Sales segment increased by \$2.9 million for the three months ended September 30, 2013, or 116.6%, compared to the same period in 2012 as a result of the \$6.4 million increase in revenue described above, partially offset by increases in transportation costs, supplies and compensation related expenses of \$1.1 million, \$1.1 million and \$0.7 million, respectively.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

International Services

Revenue for the International Services segment increased by \$14.8 million for the nine months ended September 30, 2013, or 4.3%, compared to the same period in 2012, primarily as a result of increased service volume due to an expanded presence in new locations and increased demand for our services from existing customers.

Adjusted EBITDA for the International Services segment decreased by \$12.7 million for the nine months ended September 30, 2013, or 7.7%, compared to the same period in 2012, primarily due to higher compensation related costs of \$13.8 million, additional bad debt expense of \$9.7 million in our Latin America region, increased management fees of \$3.0 million, partially offset by the \$14.8 million increase in revenue described above.

U.S. Services

Revenue for the U.S. Services segment increased by \$7.5 million for the nine months ended September 30, 2013, or 2.3%, compared to the same period in 2012 primarily due to \$23.1 million of higher offshore services provided on production platforms. This increase was substantially offset by a \$15.6 million decrease in onshore services as a result of an 8% decline in average onshore rig counts in areas in which we operate.

Adjusted EBITDA for the U.S. Services segment increased by \$0.3 million for the nine months ended September 30, 2013, compared to the same period in 2012 as a result of the \$7.5 million increase in revenue described above, partially offset by increases in compensation related costs of \$4.9 million, franchise and other taxes of \$1.4 million, and travel costs of \$1.2 million.

Tubular Sales

Revenue for the Tubular Sales segment increased by \$32.7 million for the nine months ended September 30, 2013, or 23.0%, compared to the same period in 2012 primarily due to an increase of \$30.2 million in pipe sales in deepwater markets and an increase of \$21.8 million in our International and U.S. Services segments from our manufacturing component. Partially offsetting this increase were lower domestic pipe sale revenues of \$19.2 million as certain customers are concentrating their efforts on exploratory work with plans for development later in the year and into 2014.

Adjusted EBITDA for the Tubular Sales segment increased by \$9.8 million for the nine months ended September 30, 2013, or 61.3%, compared to the same period in 2012 primarily as a result of the \$32.7 million increase in revenue described above, partially offset by a \$12.9 million increase in the cost of pipe, higher compensation related costs of \$5.5 million and equipment rentals and supplies of \$2.6 million.

Liquidity and Capital Resources

Liquidity

Our primary sources of liquidity to date have been intra-company borrowings, borrowings under our credit facilities and cash flows from operations. Our primary uses of capital have been for organic growth capital expenditures and acquisitions. We continually monitor potential capital sources, including equity and debt financing, in order to meet our investment and target liquidity requirements.

Our total 2013 capital expenditure budget is \$200.3 million, of which \$164.0 million is for the purchase and manufacture of equipment and \$36.3 million is for the purchase or construction of facilities. Our 2013 capital expenditure budget does not include any provision for acquisitions. While we have budgeted \$200.3 million for the year ending December 31, 2013, the actual amount of capital expenditures for the manufacture of equipment may fluctuate based on market conditions. During the nine months ended September 30, 2013 and 2012, we invested \$126.8 million and \$136.6 million, respectively, in capital expenditures, which was funded from internally generated funds. We believe the remaining net proceeds from our IPO, together with cash flows from operations and additional borrowings under our credit facilities, should be sufficient to fund our capital expenditure requirements for the remainder of 2013.

We intend to pay a regular quarterly dividend on our common stock of \$0.075 per share which equates to \$11.5 million per quarter, or \$46.1 million per year, based on the number of common shares outstanding immediately after completion of the IPO, to the extent we have sufficient cash from our operations after establishment of cash reserves and payment of fees and expenses. We do not have a legal obligation to pay any dividend and there can be no assurance that we will be able to do so. In order to fund the dividend on our common stock, we expect that Frank's International C.V. ("FICV") would be required to make an aggregate annual distribution of approximately \$62.0 million, based on the number of shares outstanding immediately following the completion of our IPO.

Credit Facilities

In connection with the IPO, we entered into two revolving credit facilities with certain financial institutions: (i) a \$100.0 million revolving credit facility, including up to \$20.0 million for letters of credit and up to \$10.0 million in swingline loans, which matures in August 2018 (the "Five Year Facility"); and (ii) a \$100.0 million revolving credit facility which matures in August 2014 (the "One Year Facility" and, together with the Five Year Facility, the "Credit Facilities"). Subject to the terms of the credit agreements, we have the ability to increase the commitments under the Credit Facilities by \$150.0 million. As of September 30, 2013, we did not have any outstanding indebtedness under the Credit Facilities and had \$5.3 million in letters of credit outstanding.

Borrowings under the Credit Facilities bear interest, at our option, at either a base rate or an adjusted Eurodollar rate. Base rate loans under the credit facilities bear interest at a rate equal to the higher of (a) the prime rate as published in the Wall Street Journal, (b) the Federal Funds Effective Rate plus 0.50% or (c) the adjusted Eurodollar rate plus 1.00%, plus an applicable margin ranging from 0.50% to 1.50%, subject to adjustment based on the leverage ratio.

Interest is in each case payable quarterly for base-rate loans. Eurodollar loans under the Credit Facilities bear interest at an adjusted Eurodollar rate equal to the Eurodollar rate for such interest period multiplied by the statutory reserves, plus an applicable margin ranging from 1.50% to 2.50%. Interest is payable at the end of applicable interest periods for Eurodollar loans, except that if the interest period for a Eurodollar loan is longer than three months, interest is paid at the end of each three-month period. The unused portion of the Five Year Facility is subject to a commitment fee of up to 0.375%.

The credit agreements contain various covenants that, among other things, limit our ability to grant certain liens, make certain loans and investments, enter into mergers or acquisition, enter into hedging transactions, change our lines of business, prepay certain indebtedness, enter into certain affiliate transactions, incur additional indebtedness or engage in certain asset dispositions. Additionally, the credit agreements limit our ability to incur additional indebtedness subject to certain exceptions.

The credit agreements also contain financial covenants, which, among other things, require us, on a consolidated basis, to maintain: (i) a ratio of total consolidated funded debt to adjusted EBITDA (as defined in the credit agreements) of not more than 2.50 to 1.0; and (ii) a ratio of EBITDA to interest expense of not less than 3.0 to 1.0. As of September 30, 2013, we were in compliance with all financial covenants under the credit agreements.

In addition, the credit agreements contain customary events of default, including, among others, the failure to make required payments, borrower's failure to comply with certain covenants or other agreements, borrower's breach of the representation and covenants contained in the agreements, borrower's default of certain other indebtedness, certain events of bankruptcy or insolvency and the occurrence of a change in control (as defined in the credit agreements).

Prior to the completion of the IPO, we had two revolving credit facilities, with available borrowing capacities of \$40.0 million and \$5.0 million. In connection with the completion of our IPO, these credit facilities were repaid in full and terminated.

Notes Payable - Affiliated

In 2012, we made a non-cash distribution of \$484.0 million to our owners in the form of two unsecured promissory notes payable to FWW. In connection with the completion of our IPO, the notes to FWW were repaid in full. We also had various notes payable - affiliated, which were either repaid in full or transferred to Mosing Holdings in connection with the completion of our IPO.

All other affiliated indebtedness existing prior to the IPO was repaid.

Cash Flows from Operating, Investing and Financing Activities

Cash flows provided by (used in) our operations, investing and financing activities are summarized below (in thousands):

	Nine Months Ended	
	September 30,	
	2013	2012
Operating activities	\$ 240,157	\$ 251,323
Investing activities	(79,621)	(141,649)
Financing activities	133,478	(91,408)
	294,014	18,266
Effect of exchange rate changes on cash activities	2,563	(1,561)
Increase in cash and cash equivalents	\$ 296,577	\$ 16,705

Statements of cash flows for entities with international operations that use the local currency as the functional currency exclude the effects of the changes in foreign currency exchange rates that occur during any given year, as these are noncash changes. As a result, changes reflected in certain accounts on the consolidated statements of cash flows may not reflect the changes in corresponding accounts on the consolidated balance sheets.

Operating Activities

Cash flow from operating activities was \$240.2 million for the nine months ended September 30, 2013 as compared to \$251.3 million in the comparable period in 2012. The decrease in 2013 was due primarily to increases in inventory and accrued expenses and other current liabilities, partially offset by an increase in net income and deferred revenue.

Investing Activities

Cash flow used in investing activities was \$79.6 million for the nine months ended September 30, 2013 as compared to \$141.6 million in the comparable period in 2012. The decrease in 2013 was due primarily to the \$50.3 million of proceeds from the sale of assets and equipment, primarily including the sale of a component of our Tubular Sales segment as well as a \$10.0 million decrease in capital expenditures.

Financing Activities

Cash flow provided by financing activities was \$133.5 million for the nine months ended September 30, 2013 as compared to cash flow used in financing activities of \$91.4 million in the comparable period in 2012. The increase in 2013 was due primarily to net proceeds of \$711.5 million from our IPO, partially offset by \$464.0 million in payments related to the FWW notes and an increase of \$18.4 million in distributions to shareholders.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Contractual Obligations

Our contractual obligations related to noncancelable leases at September 30, 2013 increased to \$47.5 million from \$26.7 million at December 31, 2012 due to the entrance into new lease agreements as a result of the distribution of certain real estate to Mosing Holdings.

At September 30, 2013, we had outstanding purchase order commitments totaling \$142.9 million for pipe and connectors to be used by our Tubular Sales segment. The majority of the commitments are due within the next 12 months.

Critical Accounting Policies

There were no changes to our significant accounting policies from those disclosed in the Prospectus.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to certain market risks that are inherent in our financial instruments and arise from changes in foreign currency exchange rates and interest rates. A discussion of our market risk exposure in financial instruments is presented below.

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risks. The disclosures are not meant to be precise indicators of expected future losses or gains, but rather indicators of reasonably possible losses or gains. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures.

Foreign Currency Exchange Rates

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, the currency of our primary economic environment is the U.S. dollar, and we use the U.S. dollar as our functional currency. In other parts of the world, such as Europe, Norway, Venezuela and Brazil, we conduct our business in currencies other than the U.S. dollar, and the functional currency is the applicable local currency. Assets and liabilities of entities for which the functional currency is the local currency are translated into U.S. dollars using the exchange rates in effect at the balance sheet date, resulting in translation adjustments that are reflected in accumulated other comprehensive income (loss) in the shareholders' equity section on our consolidated balance sheets. A portion of our net assets are impacted by changes in foreign currencies in relation to the U.S. dollar. We recorded an \$8.2 million adjustment to decrease our equity account for the nine months ended September 30, 2013 to reflect the change in the U.S. dollar against various foreign currencies.

For the nine months ended September, 2013, on a U.S. dollar-equivalent basis, approximately 22% of our revenue was represented by currencies other than the U.S. dollar. However, no single foreign currency poses a primary risk to us. A hypothetical 10% decrease in the exchange rates for each of the foreign currencies in which a portion of our revenues is denominated would result in a 1.3% decrease in our overall revenues for the nine months ended September 30, 2013.

In February 2013, the Venezuelan government announced a devaluation of the Bolivar Fuerte ("Bolívar"), resulting in the exchange rate declining from 4.3 to 6.3 Bolívars to the U.S. Dollar. As a result of the devaluation, we recorded a foreign currency loss of \$1.8 million in the first quarter of 2013, related to the re-measurement of the Bolívar-denominated net monetary assets of our Venezuelan operations as of the date of the devaluation.

Interest Rate Risk

As of September 30, 2013, we did not have any outstanding balances under the Credit Facilities. If we borrow under the Credit Facilities in the future, we will be exposed to changes in interest rates on our floating rate borrowings under the Credit Facilities. Although we do not currently utilize interest rate derivative instruments to reduce interest rate exposure, we may do so in the future.

Customer Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk are trade receivables. We extend credit to customers and other parties in the normal course of business. We have established various procedures to manage our credit exposure, including credit evaluations and maintaining an allowance for doubtful accounts.

We are also exposed to credit risk because our customers are concentrated in the oil and natural gas industry. This concentration of customers may impact overall exposure to credit risk, either positively or negatively, because our customers may be similarly affected by changes in economic and industry conditions, including sensitivity to commodity prices. While current energy prices are important contributors to positive cash flow for our customers, expectations about future prices and price volatility are generally more important for determining future spending levels. However, any prolonged increase or decrease in oil and natural gas prices affects the levels of exploration, development and production activity, as well as the entire health of the oil and natural gas industry, and can therefore negatively impact spending by our customers.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon the evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2013 at the reasonable assurance level.

(b) Change in Internal Control Over Financial Reporting.

Except for the adoption of certain corporate governance policies as described below, there were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2013, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

In connection with the IPO, we adopted certain corporate governance policies in order to strengthen our corporate governance and comply with the requirements of the New York Stock Exchange. These changes included the appointment of an independent member of the Board of Directors, the establishment of Corporate Governance Guidelines, the adoption of an Audit Committee Charter and the adoption of a Code of Business Conduct and Ethics.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

See Part I, Item 1, Note 16 to our unaudited consolidated financial statements entitled "Commitments and Contingencies," which is incorporated in this item by reference.

Item 1A. *Risk Factors*

In addition to the other information set forth in this report, you should carefully consider the risks under the heading "Risk Factors" in the Prospectus, which risks could materially affect our business, financial condition or future results. These risks are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Use of Proceeds of Public Offering of Common Stock

On August 14, 2013 we completed our IPO of 34,500,000 shares of common stock (including 4,500,000 shares of common stock from the full exercise of the over-allotment option granted to the underwriters) at a price to the public of \$22.00 per share. The offer and sale of all of the shares of common stock in the IPO were registered under the Securities Act pursuant to a Registration Statement on Form S-1 (File No. 333-188536), which was declared effective by the SEC on August 8, 2013. The offering did not terminate before all of the shares in the IPO that were registered in the registration statement were sold. Barclays Capital Inc., Credit Suisse Securities (USA) LLC, and Simmons & Company International acted as the representatives of the underwriters. The aggregate offering price for shares of common stock sold in the offering was approximately \$759.0 million. We raised approximately \$711.5 million in net proceeds from the offering, after deducting underwriting discounts and commissions of approximately \$43.6 million and other offering expenses of approximately \$3.9 million.

No payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates, or to our affiliates, other than payments in the ordinary course of business to officers for salaries. There has been no material change in the planned use of proceeds from our IPO as described in the Prospectus.

Item 6. *Exhibits*

(a) Exhibits

- 3.1 Deed of Amendment to Articles of Association of Frank's International N.V., dated August 13, 2013 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.1 Revolving Credit Agreement, dated August 14, 2013, by and among Frank's International C.V. (as Borrower), Amegy Bank National Association (as Administrative Agent), Capital One, National Association (as Syndication Agent) and the other lenders party thereto (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.2 364-Day Credit Agreement, dated August 14, 2013, by and among Frank's International C.V. (as Borrower), Amegy Bank National Association (as Administrative Agent), Capital One, National Association (as Syndication Agent) and the other lenders party thereto (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.3† Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Donald Keith Mosing (incorporated by reference to Exhibit 10.9 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.4† Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Brian D. Baird (incorporated by reference to Exhibit 10.10 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).

- 10.5† Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and C. Michael Webre (incorporated by reference to Exhibit 10.11 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.6† Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Kirkland D. Mosing (incorporated by reference to Exhibit 10.12 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.7† Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Mark G. Margavio (incorporated by reference to Exhibit 10.13 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.8† Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Sheldon Erikson (incorporated by reference to Exhibit 10.14 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.9† Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and Steven B. Mosing (incorporated by reference to Exhibit 10.15 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.10† Indemnification Agreement dated August 14, 2013, by and among Frank's International N.V. and W. John Walker (incorporated by reference to Exhibit 10.16 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.11† Frank's International N.V. 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-8 (File No. 333-190607), filed on August 13, 2013).
- 10.12† Frank's International N.V. Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.6 to the Registration Statement on Form S-8 (File No. 333-190607), filed on August 13, 2013).
- 10.13† Frank's International N.V. 2013 Long-Term Incentive Plan Restricted Stock Unit Agreement (Non-Employee Director Form) (incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-1/A (File No. 333-188536), filed on July 16, 2013).
- 10.14† Frank's International N.V. 2013 Long Term Incentive Plan Restricted Stock Unit Agreement (Employee Form) (incorporated by reference to Exhibit 10.6 to the Registration Statement on Form S-1/A (File No. 333-188536), filed on July 16, 2013).
- 10.15† Frank's Executive Deferred Compensation Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.16 Tax Receivable Agreement, dated August 14, 2013, by and among Frank's International N.V., Frank's International C.V. and Mosing Holdings, Inc. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.17 Registration Rights Agreement, dated August 14, 2013, by and among Frank's International N.V., Mosing Holdings, Inc. and FWW B.V. (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- 10.18 Global Transaction Agreement, dated July 22, 2013, by and among Frank's International N.V. and Mosing Holdings, Inc. (incorporated by reference to Exhibit 10.11 to the Registration Statement on Form S-1/A (File No. 333-188536), filed on July 24, 2013).
- 10.19 Voting Agreement, dated July 22, 2013, by and among Ginsoma Family C.V., FWW B.V., Mosing Holdings, Inc., and certain other parties thereto (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-1/A (File No. 333-188536), filed on July 24, 2013).
- 10.20 Frank's International C.V. Management Agreement, dated August 14, 2013, by and among Frank's International N.V., Frank's International LP B.V., Frank's International Management B.V. and Mosing Holdings, Inc. (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K (File No. 001-36053), filed on August 19, 2013).
- *10.21 Amendment No. 5 to the Limited Partnership Agreement of Frank's International C.V., dated October 14, 2013.

- *31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14 (a) under the Securities Exchange Act of 1934.
- *31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- **32.1 Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
- **32.2 Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
- **101.INS XBRL Instance Document.
- **101.SCH XBRL Taxonomy Extension Schema Document.
- **101.CAL XBRL Taxonomy Calculation Linkbase Document.
- **101.DEF XBRL Taxonomy Definition Linkbase Document.
- **101.LAB XBRL Taxonomy Extension Label Linkbase Document.
- **101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.

† Represents management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FRANK'S INTERNATIONAL N.V.

Date: November 13, 2013

By: /s/ Mark G. Margavio
Mark G. Margavio
Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit Index

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- **101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.

† Represents management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith.

THE INTERESTS REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

THE INTERESTS REPRESENTED BY THIS AGREEMENT ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AND REPURCHASE OPTIONS SET FORTH IN THIS AGREEMENT.

AMENDMENT NO. 5 TO

**THE LIMITED PARTNERSHIP AGREEMENT OF
FRANK'S INTERNATIONAL C.V.**

[Capital Contributions by limited partner and general partner]

**THIS AGREEMENT (“AMENDMENT AGREEMENT NO. 5”) IS MADE EFFECTIVE AS PER THE 14TH DAY OF OCTOBER, 2013
 (“AMENDMENT 5 DATE”)**

BETWEEN:

- (1) **Frank’s International Management B.V.**, a private limited liability company organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, The Netherlands, with address Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands, registered with the trade register under number 50802275 (“FIM”);
- (2) **Frank’s International LP B.V.**, a private limited liability company organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, The Netherlands, with address Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands, registered with the trade register under number 50802070 (“FILP”);
- (3) **Mosing Holdings, Inc.**, a corporation established under the laws of the state of Delaware, United States of America, with its registered office at 10260 Westheimer Rd, Houston, Texas 77042, United States of America (“MH”),

these companies hereinafter each also referred to as a “Party” and jointly as the “Parties”.

WHEREAS:

(A) By agreement (the "Formation Agreement") dated the 29th day of July, 2013 (the "Formation Date"), FIM and FILP formed and entered into a limited partnership under the laws of the Netherlands (" *commanditaire vennootschap* "), hereinafter referred to as the "C.V.", for the purpose of participating in and financing of other companies.

(B) By agreement (the "Amendment Agreement No. 1") dated the first day of August, 2013 (the "Amendment 1 Date"), the Parties have recorded:

- the additional (non-cash) capital contribution by FILP;
 - the additional (non-cash) capital contribution by FIM; and
- an update of certain provisions of the partnership agreement governing the C.V.

(C) By agreement (the "Amendment Agreement No. 2") dated the 8th day of August, 2013 (the "Amendment 2 Date"), the Parties have recorded:

- the additional (non-cash) capital contribution by FIM; and
- an update of certain provisions of the partnership agreement governing the C.V.

(D) By agreement (the "Amendment Agreement No. 3") dated the 14th day of August, 2013 (the "Amendment 3 Date"), the Parties have recorded:

- the admission of MH as limited partner of the C.V.; and
- an update of certain provisions of the partnership agreement governing the C.V.

(E) By agreement (the "Amendment Agreement No. 4"), dated the 14th day of August, 2013 (the "Amendment 4 Date") the Parties have recorded:

- the additional capital contribution by FILP; and
- an update of certain provisions of the partnership agreement governing the C.V.

(F) By executing this Amendment Agreement No. 5, the Parties wish to record:

- the additional capital contribution by FILP;
 - the additional capital contribution by FIM; and
- an update of certain provisions of the partnership agreement governing the C.V.
-

I.1 Contribution

- I.1.1 The Parties have agreed that as of the Amendment 5 Date, FILP will make an additional capital contribution to the C.V., of an amount of USD 1,653,333, and FIM will make an additional capital contribution to the C.V., of an amount of USD 2,227.
- I.1.2 The additional capital contributions will not change the interest percentages in the C.V. as stated in Chapter II article 4.4. below and will not change the amounts of the Initial Capital Account Balances as stated in Exhibit B, since the calculation of such percentages and amounts were based on the total fair market value of the C.V. determined by the number of outstanding shares in FINV (as defined below) and the offering price at the initial public offering of FINV (the "IPO"), and since these form part of the proceeds from the IPO the amounts of the additional capital contributions can be deemed to have been taken into account already.

I.2 Consent / Amendment partnership agreement

- I.2.1 By signing this Amendment Agreement No. 5, the Parties confirm their prior consent to the additional capital contributions by FILP and FIM to the C.V.
- I.2.2 FIM, FILP and MH hereby confirm for the avoidance of doubt that they continue the C.V. and wish to update the partnership agreement governing the C.V., as provided in this Amendment Agreement No. 5.

II. Updated and restated complete text of the partnership agreement

The provisions of the Amendment Agreement No. 4 are hereby modified in order to update the partnership agreement to reflect the changes as of the Amendment 5 Date.

The complete text of the terms and conditions of their relationship as partners of the C.V. as modified in connection with the above, now reads as follows.

1. Definitions

In this Agreement and the recitals hereto the following expressions shall have the meaning set opposite them:

- “C.V.”: Frank’s International C.V., a limited partnership established under Dutch law as described in Article 2 of this Agreement;
- “FINV” Frank’s International N.V., a limited liability company organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, The Netherlands, with address Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands, registered with the trade register under number 34241787;
- “FINV A Shares”: Shares of Series A preferred stock in the capital of FINV;
- “FINV Common Shares”: Shares of Common stock in the capital of FINV;
- “Formation Date”: July 29, 2013;
- “General Partner”: - FIM;
- or any replacement general partner admitted after the date hereof;
- “Limited Partner(s)”: - FILP;
- MH; and
- any limited partner admitted after the date hereof,
or in singular any one of them;
- “Lower-tier Partners”: has the meaning ascribed to it in Article 12.4.
- “Managing Partner”: the General Partner entrusted with the management of the C.V.;
- “Partners”: the General Partner and the Limited Partner(s), or in singular any one of them;
- “Percentage Interest” has the meaning ascribed to it in Article 4.3;
- “Remaining Partners”: has the meaning ascribed to it in Article 8.2;
- “Resigning Partner”: has the meaning ascribed to it in Article 8.2;
- “Upper-tier Partner”: has the meaning ascribed to it in Article 12.1.

2. Establishment of limited partnership

- 2.1 FIM, as General Partner, and FILP, as Limited Partner, have established the C.V. with effect as from the Formation Date. As from the Amendment 3 Date, MH has been admitted as Limited Partner.
- 2.2 The C.V.'s name is Frank's International C.V. It has its partnership's seat in Amsterdam, and its registered office at the principal offices of the Managing Partner.
- 2.3 The objects for which the C.V. is established are to engage in any lawful act or activity for which a limited partnership may be organized under applicable law. The C.V. may engage in any and all activities necessary, desirable or incidental to the accomplishment of the foregoing, including:
- a. to incorporate, participate in, conduct the management of and take any other financial interest in other companies and enterprises;
 - b. to render administrative, technical, financial, economic or managerial services to other companies, persons or enterprises;
 - c. to acquire, dispose of, manage and exploit real and personal property, including patents, marks, licenses, permits and other industrial property rights;
 - d. to borrow and/or lend moneys, act as surety or guarantor in any other manner, and bind itself jointly and severally or otherwise in addition to or on behalf of others,

the foregoing whether or not in collaboration with third parties and inclusive of the performance and promotion of all activities which directly and indirectly relate to those objects, all this in the broadest sense, provided, however, that it shall not itself engage in businesses in the Netherlands.

Notwithstanding anything herein to the contrary, nothing set forth herein shall be construed as authorizing the C.V. to possess any purpose or power, or to do any act or thing, forbidden by law to a limited partnership formed under the laws of the Netherlands.

- 2.4 Subject to the provisions of this Agreement and except as permitted by applicable law, (i) the Managing Partner acting for and on behalf of the C.V. may enter into and perform any and all documents, agreements and instruments, all without any further act, vote or approval of any other Partner, and (ii) the Managing Partner may authorize any Person (other than a Limited Partner) to enter into and perform any document, agreement or instrument on behalf of the C.V.
-

2.5 The C.V. shall have (i) no less than one Limited Partner and (ii) one General Partner.

3. Term of the partnership

3.1 The C.V. is established as from the Formation Date and for an indefinite period of time.

3.2 The C.V. shall be terminated only upon unanimous votes of the Partners.

4. Contributions; Adjustments to Partnership Interests; Attributions or Redemptions of Partnership Interests

4.1.1 As per the Formation Date, FIM has made a contribution to the C.V. of an amount in cash, which amount has been paid by FIM to the bank account of the C.V.

As per the Amendment 2 Date, FIM has made a (non-cash) contribution to the C.V., consisting of FINV A Shares, the FIBV Receivable and the OER Receivable (the FIBV Receivable and the OER Receivable as defined in the Amendment Agreement No. 2).

As per the Amendment 5 Date, FIM has made a contribution to the C.V. of an amount of USD 2,227 which amount shall be paid by FIM to the bank account of the C.V.

4.1.2 As per the Formation Date, FILP has made a contribution to the C.V. of an amount in cash, which amount has been paid by FILP to the bank account of the C.V.

As per the Amendment 1 Date, FILP has made a (non-cash) contribution to the C.V., consisting of its membership interest in Frank's International Coöperatief U.A.) and all its intercompany balances with FI Coop and/or its subsidiaries, it being understood, however, that a portion of such contribution is deemed to be a contribution by FILP to FIM and subsequently a contribution by FIM to the C.V.

As per the Amendment 4 Date, FILP has made a contribution to the C.V. of an amount of USD 299,468,341 (representing a portion of the net proceeds from the initial public offering of FINV Common Shares) which amount shall be paid by FILP to the bank account of the C.V., it being understood, however, that a portion of such contribution is deemed to be a contribution by FILP to FIM and subsequently a contribution by FIM to the C.V.

As per the Amendment 5 Date, FILP has made a contribution to the C.V. of an amount of USD 1,653,333 which amount shall be paid by FILP to the bank account of the C.V.

- 4.1.3 As per the Amendment 3 Date, MH has made a (non-cash) contribution to the C.V., consisting of its interests in the following companies:
- **Frank's International LLC**, a limited liability company established under the laws of the state of Texas, United States of America United States of America ("FI LLC");
 - **Frank's Casing Operations LLC**, a limited liability company established under the laws of the state of Louisiana, United States of America, United States of America ("FCO LLC"); and
 - **Frank's Tong Services LLC**, a limited liability company established under the laws of the state of Oklahoma, United States of America, United States of America ("FTS LLC").
- 4.2 If agreed by unanimous votes of the Partners and without prejudice to Article 12 (i), the Partners can make additional contributions in cash or in kind to the C.V.; and (ii) capital contributions made by the Partners to the C.V. or parts thereof can be repaid by the C.V. to the Partners. Any such additional contributions or repayments are not required to be made on a pro rata basis.
- 4.3 Upon any contribution (or deemed contribution) by the Partners, the net fair market value of such contribution shall be determined and shall be taken into account for the purpose of determining the percentage interest in the C.V. ("Percentage Interest") held by each partner, as further described in article 4.4.
- Solely for the purpose of United States federal income tax purposes, the C.V. shall maintain a capital account for each partner in accordance with Exhibit A, which reflects the agreement of the partners regarding certain United States tax matters.
- 4.4 The Percentage Interests held by the Partners will be determined as follows:
- a. With respect to each Partner on the date hereof, the Partner's Percentage Interest will be determined by dividing the net fair market value of the contributions (whether in cash or otherwise) made by such Partner by the net fair market value of the contributions by all the Partners.
-

The Partners agree that each Partner's Percentage Interest as of the date hereof is as follows:

FIM: 0.10%

FILP: 74.25% (approximately)

MH: 25.65% (approximately)

- b. In connection with any subsequent contribution (or deemed contribution) of cash, property or services to the C.V., the Percentage Interests will be redetermined, as soon as the approvals required by Article 12 have been granted. Each Partner's Percentage Interest will equal the net fair market value of the cash, property or services contributed (or deemed contributed) to the C.V. by such Partner divided by the net fair market value of the cash, property or services contributed (or deemed contributed) by all the Partners. For purposes of this calculation, (i) each Partner that owns an interest in the C.V. immediately prior to such subsequent contribution will be deemed to have made an aggregate contribution to the C.V. equal to its Percentage Interest (as in effect immediately prior to the redetermination) of the net fair market value of the C.V. immediately prior to such subsequent contribution and (ii) in connection with an offering of stock by FINV, the proceeds of such offering that FINV contributes to the C.V. will be deemed to include all the expenses of such offering and the C.V. will be treated as paying all of the expenses of the offering directly to each service provider.

- 4.5 For the avoidance of doubt and subject to any approvals required by Article 12, it is the expectation of the Partners that:

- a. If FINV issues any FINV Common Shares after the date hereof, FINV shall promptly cause FILP (or such other subsidiary of FINV designated by FINV) to contribute to the C.V. all the net proceeds (or other consideration), if any, received by FINV with respect to such FINV Common Shares. Upon the contribution (or deemed contribution) by FILP (or such other subsidiary) to the C.V. of all of such net proceeds (or other consideration) so received by FINV, the Managing Partner shall cause the C.V. to attribute an additional interest in the C.V. to FILP (or such other subsidiary) and the Percentage Interests shall be re-determined pursuant to Article 4.4, such that FILP and FIM's (and, if applicable, any other subsidiary of FINV) collective aggregate
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Percentage Interest in the C.V. shall equal the percentage of the total number of shares of outstanding FINV Common Shares and FINV A Shares that constitutes FINV Common Shares.

- b. If any FINV Common Shares are issued by FINV in to an employee or other service provider in connection with services rendered to or for the benefit of the C.V., for purposes of determining Percentage Interests and for purposes of maintaining the Capital Accounts, (i) the C.V. shall be treated as having made a cash payment to the employee or other service provider in an amount equal to the value of the FINV Common Shares issued, (ii) the employee or other service provider shall be treated as having purchased the FINV Common Shares for cash equal to the value of such FINV Common Shares from FINV, and (iii) FINV shall be treated as contributing such cash (through FILP and FIM) to the C.V.
- c. If any FINV Common Shares are issued by FINV in connection with an equity incentive program subject to vesting or forfeiture provisions, then the interests in the C.V. that are attributed by the C.V. to FILP (or such other subsidiary of FINV designated by FINV) in connection therewith in accordance with the provisions of paragraph b above shall be subject to vesting or forfeiture on the same basis. Any cash or property held by FILP, FIM or the C.V. (or such other subsidiary) on each other's behalf in respect of dividends paid on restricted FINV Common Shares that fails to vest shall be returned to the C.V. upon the forfeiture of such restricted FINV Common Shares.
- d. If, at any time, any FINV Common Shares are repurchased or redeemed (whether by exercise of a put or call, pursuant to an open market purchase, automatically or by means of another arrangement) by FINV and subsequently cancelled, then the Managing Partner shall cause the C.V., immediately prior to such repurchase or redemption of FINV Common Shares, to repurchase or redeem a portion of FILP's (or such other subsidiary of FINV designated by FINV) interests in the C.V. such that following such repurchase or redemption, FILP and FIM's (and, if applicable, any other
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subsidiary of FINV) collective aggregate percentage interest in the C.V. shall equal the percentage of the total number of shares of outstanding FINV Common Shares and FINV A Shares that constitutes FINV Common Shares, at an aggregate redemption price equal to the aggregate purchase or redemption price of the FINV Common Shares being repurchased or redeemed by FINV (plus any expenses related thereto) and upon such other terms as are the same for the FINV Common Shares being repurchased or redeemed by FINV.

e. As a result of the foregoing paragraphs a, b, c, and d at all times (i) the collective Percentage Interest of FIM, FILP and any other subsidiary of FINV contemplated above will equal the percentage of the total number of shares of outstanding FINV Common Shares and FINV A Shares that constitutes FINV Common Shares and (ii) the Percentage Interest of MH will equal the percentage of the total number of shares of outstanding FINV Common Shares and FINV A Shares that constitutes FINV A Shares.

4.6 The Managing Partner shall hold legal title to the assets of the C.V., including the assets contributed by the Partners. The Managing Partner shall hold title to such assets for the risk and account of the C.V. and the beneficial ownership in such assets shall be vested in the C.V., under the terms and conditions set forth in this Agreement. If the Managing Partner is replaced, it shall immediately cause title to the assets to be transferred to its successor. The Managing Partner shall be authorized to transfer title to the assets of the C.V. to a legal entity, controlled by the Managing Partner, provided that such legal entity shall have as sole purpose the holding of assets for and on behalf of the C.V.

5. Appointment, dismissal and authority of the Managing Partner

5.1 The General Partner shall be the Managing Partner. The business and affairs of the C.V. shall be managed by the Managing Partner consistent with this Agreement. Subject to the express limitations contained in this Agreement, the Managing Partner shall have complete and absolute control of the affairs and business of the C.V., and shall possess all powers necessary, convenient or appropriate to carrying out the purposes and business of the C.V., including, without limitation, doing all things and taking all actions necessary to carry out the terms and provisions of this Agreement. Subject to the rights and powers of the Managing Partner and

the limitations contained herein, the Managing Partner may delegate to any person, other than a Limited Partner, any or all of its powers, rights and obligations under this Agreement and may appoint, contract or otherwise deal with any person to perform any acts or services for the C.V. as the Managing Partner may reasonably determine. The Managing Partner is specifically authorized to execute and sign in the name of and on behalf of the C.V. any and all agreements, certificates, instruments or other documents requisite to carrying out the intentions and purposes of this Agreement and of the C.V.

- 5.2 No Partner other than the Managing Partner shall be entitled to perform any act of management on behalf of the C.V. or have any authority to represent the C.V. vis-à-vis third parties.
- 5.3 The Managing Partner shall owe the same duties to the C.V. and the Partners as a member of the board of directors of FINV owes to FINV and its shareholders. Except as expressly provided in this Agreement, nothing contained in this Agreement shall be deemed to constitute any Partner an agent or legal representative of any other Partner or to create any fiduciary relationship for any purpose whatsoever, apart from such obligations between partners in a limited partnership formed under the laws of the Netherlands as may be created by applicable law. The Managing Partner shall not have any authority to act for, or to assume any obligation or responsibility on behalf of, any other Partner.
- 5.4 Except as provided by Article 3.2, Article 4.2 and Article 12 of this Agreement or by applicable law, the Managing Partner shall not require the prior approval of the Partners in relation to any action permitted by the terms of this Agreement.
- 5.5 The C.V. shall reimburse the Managing Partner for all costs and expenses incurred by the Managing Partner that are directly attributable to the operation of the C.V., including costs for engaging third parties such as consultants, attorneys and accountants.
- 5.6 The C.V. shall reimburse FINV for all of its general, administrative, overhead and other indirect costs and expenses, including (a) those costs and expenses attributable to operating as a publicly traded company, (b) costs of securities offerings, (c) board of directors compensation and meeting costs, (d) costs of periodic reports to shareholders, (e) litigation costs and damages arising from litigation, (f) accounting and legal costs and (g) franchise taxes.
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6. Financial year and annual accounts

- 6.1 The financial year of the C.V. will coincide with the calendar year; provided that for United States federal income tax purposes the C.V. will have a tax year ending on June 30.
- 6.2 Within five months after the end of the financial year, or after termination of the C.V., the Managing Partner will draw up the (annual) accounts of the C.V. consisting of a balance sheet and a profit and loss account with explanatory notes thereon. The annual accounts of the C.V. shall be prepared in the English language and in accordance with generally accepted accounting principles, as determined by the Managing Partner. The annual accounts shall within said period of five months be submitted to the Partners for approval.
- 6.3 The C.V. shall prepare and timely file all tax returns required to be filed by the C.V., including all applicable U.S. tax returns. Each Partner shall furnish to the C.V. all pertinent information in its possession relating to the C.V.'s operations that is necessary to enable the C.V.'s tax returns to be timely prepared and filed. With respect to the U.S. Form 1065, the C.V. shall deliver to each Member within 90 calendar days after the end of the applicable tax year, a Schedule K-1 together with such additional information as may be required by the Partners in order to file their individual returns reflecting the C.V.'s operations. The C.V. shall bear the costs of the preparation and filing of its tax returns.

7. Profits and Losses; Distributions

- 7.1 Except as otherwise provided in Exhibit A relating to allocations for United States income tax purposes, profits and losses (and all items of income, gain, loss and deduction) shall be allocated among the Partners in accordance with their Percentage Interests.
- 7.2 The Limited Partner(s) will not be obliged to make any additional contributions to the C.V. to the C.V. for any reason.
- 7.3 Distributions.
- 7.3.1 To the extent permitted by applicable law and hereunder, distributions to Partners may be declared by the Managing Partner out of legally available funds in such amounts and on such
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terms (including the payment dates of such distributions) as the Managing Partner shall determine using such record date as the Managing Partner may designate; such distribution shall be made to the Partners as of the close of business on such record date on a pro rata basis in accordance with their Percentage Interests as of the close of business on such record date.

Distributions on a non pro rata basis may be declared subject to the approvals required by Article 12.

7.3.2 To the extent permitted by applicable law and to any restrictions contained in any agreement to which the C.V. is bound prior to making distributions pursuant to Article 7.3.1, on each Tax Distribution Date the C.V. shall, subject to the availability of funds, distribute to the Partners in accordance with their Percentage Interests in cash an amount sufficient to cause each Partner to receive an amount at least equal to such Partner's Assumed Tax Liability, if any. "Tax Distribution Date" means any date that is two business days prior to the date on which estimated United States income tax payments are required to be made by calendar year individual taxpayers and each due date for the United States income tax return of an individual calendar year taxpayer (without regard to extensions) or such other dates as selected by the Managing Partner. "Assumed Tax Liability" of each Partner means an amount equal to (i) the amount of income taxes (including tax under section 1411 and any applicable estimated taxes), determined taking into account the character of income and loss allocated as it affects the applicable tax rate, that the Managing Partner estimates would be due from such Partner on such Tax Distribution Date, (x) assuming such Partner were an individual resident of the State of Louisiana who earned solely the items of income, gain, deduction, loss, and/or credit allocated to such Partner by the C.V., (y) after taking proper account of loss carryforwards available to individual taxpayers resulting from losses allocated to the Partners by the C.V. (including allocations provided for in Section A-5(b) of Exhibit A), to the extent not taken into account in prior periods, and (z) assuming that such Partner is subject to tax at the highest applicable rate, reduced by (ii) all other distributions made to such Partner in respect of the period for which the Assumed Tax Liability is calculated.

7.3.3 Withholding.

The C.V. may withhold distributions or portions thereof if it is required to do so by any applicable rule, regulation or law, and each Partner hereby authorizes the C.V. to withhold from and pay on behalf of or with respect to such Partner any amount of taxes that the Managing

Partner determines that the C.V. is required to withhold and pay with respect to any amount distributable or allocable to such Partner pursuant to this Agreement. Except with respect to amounts that a Partner contributes to the C.V. upon the request of the Managing Partner, any amounts withheld pursuant to this Section 7.3.3 shall be treated as having been distributed to such Partner for all purposes of this Agreement at the time such withholding is made. To the extent that the cumulative amount of such withholding for any period exceeds the distributions to which such Partner is entitled for such period, the amount of such excess shall be considered a loan from the C.V. to such Partner, with interest accruing at the primary rate of interest then publicly quoted by JPMorgan Chase Bank or at the request of the Managing Partner, the amount of such excess shall be promptly paid to the C.V. by the Partner on whose behalf such withholding is required to be made, provided that any such payment shall not be treated as a Capital Contribution and shall not reduce the amount that a Partner is otherwise obligated to contribute to the C.V. Any income from any deemed loan shall not be allocated to or distributed to the Partner requiring such loan. Any such loan shall be satisfied out of distributions to which such Partner would otherwise be subsequently entitled until such time as the Managing Partner requests that the Partner pay such amount to the C.V. Each Partner hereby agrees to indemnify and hold harmless the C.V., the other Partners and the Managing Partner from and against any liability (including any liability for taxes, penalties, additions to tax or interest) with respect to income attributable to or distributions or other payments to such Partner.

8. Retirement, continuation and termination

8.1 A Partner shall retire:

- a. if the Partner (legal entity) is dissolved;
- b. if the Partner's bankruptcy becomes irrevocable;
- c. if the Partner applies for a moratorium of payments;
- d. if Article 1684, Book 7A of the Dutch Civil Code ("severe reason") applies to an individual Partner, as a result of which its membership terminates.

8.2 If any Partner retires pursuant to any of the events specified in Article 8.1, the Partners receiving the termination notice, or the Partners who are not subject to any of the events specified in Article 8.1(a-c), or the Partners to which Article 1684, Book 7A, Dutch Civil Code does not apply - hereafter referred to as the "Remaining Partners" - shall continue the affairs of the C.V. for their own account and under the same name, unless they have notified their former

co-partner - hereafter the "Resigning Partner" - within one month of the latter's resignation that they have elected not to continue the affairs of the C.V., in which case the C.V. shall be dissolved in accordance with Article 8.7.

If the C.V.'s affairs are not terminated, the provisions governing this limited partnership may be amended to reflect the new legal relationship, which has arisen between the Remaining Partners (and any newly admitted Partners).

8.3 If a Partner retires and the Remaining Partners have not elected to terminate the C.V., then the Remaining Partner(s) shall be under a duty to take over the Resigning Partner's rights in the assets belonging to the C.V., and shall also assume all liabilities of the Resigning Partner towards the C.V., and pay the Resigning Partner the sum specified in Article 8.4. In deviation of the previous sentence, the Parties may also resolve that the Resigning Partner shall receive the Resigning Partner's Percentage Interest of all assets of the C.V., provided that he/she assumes a pro rata portion of the liabilities of the C.V.

8.4 The sum referred to Article 8.3 shall be equivalent to the product of the Resigning Partner's Percentage Interest multiplied by the net fair market value of the C.V.'s assets.

Unless the parties make deviating arrangements, any valuations required for determining the sum of money to be paid to the Resigning Partner shall be carried out by three experts, whose valuations shall be binding upon all parties. The expert(s) shall be appointed by the parties in mutual consultation.

8.5 The sum referred to above shall be paid to the Resigning Partner not later than one year after the first day of the month following the month of resignation.

8.6 If a Partner other than the Resigning Partner has no wish to continue the C.V. and notifies the other Partners within the one month period referred to in Article 8.2, such Partner shall be deemed to retire at the same time as the Resigning Partner and such Partner shall also be considered a Resigning Partner for the purposes of this Article.

8.7 The C.V. shall be terminated upon the occurrence of any of the following events:

- a. the Partners unanimously elect to terminate the C.V.;
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- b. any Partner retires and none of the other Partners wishes to continue the affairs of the C.V. in accordance with Article 8.2;
- c. if Article 1684, Book 7A of the Dutch Civil Code applies to the entire C.V.

8.8 Upon the termination of the C.V., the C.V.'s affairs shall be liquidated as soon as possible by the Managing Partner or another liquidator to be appointed by the Managing Partner.

8.9 The liquidator shall prepare the liquidation accounts of the C.V. in order to reflect the entitlement of each Partner calculated in accordance with Article 8.4.

Article 6 shall similarly apply to the approval of the liquidation accounts.

8.10 After payment of all creditors of the C.V., the remaining assets of the C.V. following its termination shall be distributed to the Partners whereby each of the Partners shall be entitled to distributions in proportion to each Partner's Percentage Interest as per the date of termination of the C.V. The Managing Partner shall in its sole discretion determine how the cash and other assets will be distributed to the each of those Partners and the Managing Partner will in its sole discretion determine the other details.

8.11 If there is any liquidation deficit, such deficit shall be entirely borne by the General Partner. The Limited Partner(s) shall not have any obligation to make any additional contributions for the covering of debts of the C.V.

8.12 Any payments to be made to the Partners in connection with the liquidation of the C.V. shall be made within one month from the date on which the liquidation accounts are established.

Any payments to be made by the General Partner to cover any liquidation deficit pursuant to Article 8.11 shall be made within one month from the date on which the liquidation accounts are established.

8.13 The books and records of the C.V. shall remain in the custody of the liquidator unless the former Partners determine otherwise.

9. Voting rights and decision making

- 9.1 Each Partner is entitled to cast one vote. Unless stated otherwise herein, all decisions to be taken by the Partners pursuant to this Agreement shall be adopted by a simple majority of the votes cast.
- 9.2 Each Partner shall appoint a natural person or legal entity to exclusively represent it in all matters regarding the C.V. Such appointment shall be valid, until a replacement is notified to the C.V. in accordance with Article 15.

10. Access to records and accounts

The Partners or any of their respective designated representatives, in person or by attorney or other agent, shall, upon written demand stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose any of the books or records of the C.V.; provided, that for purposes of this sentence, a proper purpose shall mean any purpose reasonably related to such person's interest as a Partner. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the Partner. The demand shall be directed to the C.V. at its registered office or at its principal place of business.

11. Confidentiality

- 11.1 The C.V. shall not, nor shall it permit any subsidiary to, disclose any Partner's name or identity as an investor in the C.V. in any press release or other public announcement or in any document or material filed with any governmental entity, without the prior written consent of such Partner, which consent shall not be unreasonably withheld or delayed, unless such disclosure is otherwise required by applicable law or by any regulatory or self-regulatory organization having jurisdiction or by order of a court of competent jurisdiction, in which case (except with respect to disclosure that is required in connection with the filing of federal, state and local tax returns) prior to making such disclosure the C.V. shall give written notice to such Partner describing in reasonable detail the proposed content of such disclosure and shall permit such
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Partner to review and comment upon the form and substance of such disclosure and allow such Partner to seek confidential treatment therefor.

- 11.2 Each Partner expressly agrees to maintain, for so long as such person is a Partner and for two (2) years thereafter, the confidentiality of, and not to disclose to any person other than the C.V. (and any successor of the C.V. or any person acquiring (whether by merger, consolidation, sale, exchange or otherwise) all or a material portion of the assets or interests of the C.V. or any of its subsidiaries), another Partner or a person designated by the C.V. or any of their respective financial planners, accountants, attorneys or other advisors, any information relating to the business (current or proposed), financial structure, financial position or financial results, clients or affairs of the C.V. or any of its subsidiaries that shall not be generally known to the public, except (i) as otherwise required by applicable law or by any regulatory or self-regulatory organization having jurisdiction or by order of a court of competent jurisdiction, in which case (except with respect to disclosure that is required in connection with the filing of federal, state and local tax returns or by any regulatory or self-regulatory organization) prior to making such disclosure such Partner shall give written notice to the C.V. describing in reasonable detail the proposed content of such disclosure and shall permit the C.V. to review and comment upon the form and substance of such disclosure and allow the C.V. to seek confidential treatment therefor, and (ii) in the case of any Partner who is employed by the C.V. or any of its subsidiaries, in the ordinary course of his or her duties to the C.V. or any of its subsidiaries; provided, however, that a Partner may report to its stockholders, limited partners, members or other owners, as the case may be, regarding the general status of its investment in the C.V. (without disclosing specific confidential information).

12. Admission and Substitution of Partners; Participation in and by Other Partnerships

- 12.1 a. The sale, transfer, exchange, assignment, gift, right of usufruct or other disposition, including but not limited to a disposition pursuant to a legal merger, legal division, dissolution or liquidation, whether voluntary or involuntary of all or any part of a Partner's economic or legal interest in the C.V. shall require the prior written consent of all of the Partners. Such consent may be granted or withheld by each of them in their sole and absolute discretion.
- b. The admission and/or substitution of a Limited Partner shall require the prior written consent of all of the Partners.
- Admission or substitution of a Partner, a partner
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(limited or general partner) of such Partner (“Upper-tier Partner”) or a Lower-tier Partner (to be defined below) as referred to in this Article shall include proposed capital contributions and repayments of capital contributions, including the retirement of a Partner as referred to in article 8 of this Agreement, Upper-tier Partner or Lower-tier Partner, on a non pro rata basis, and any transfers of interests in the C.V. among Partners, including redetermination of Percentage Interests as referred to in Article 4.4.

- c. In case a Partner is a transparent entity according to Dutch tax principles, any admission and/or substitution of a Limited Partner shall in addition require the prior written consent of all of the Upper-tier Partners.
 - d. In case a Limited Partner is a transparent entity according to Dutch tax principles, any admission and/or substitution of an Upper-tier Partner shall require the prior written consent of all of the Partners and all of the Upper-tier Partners.
 - e. If C.V. has become a partner of another entity which is a transparent entity according to Dutch tax principles, any admission and/or substitution of a Limited Partner shall in addition require the prior written consent of all of the partners (limited partners and general partners) of such entity (“Lower-tier Partners”).
- 12.2 In case the C.V. wishes to become a partner (whether a limited partner or a general partner) of another entity which is a transparent entity according to Dutch tax principles, or in case another entity which is a transparent entity according to Dutch tax principles wishes to become a partner in the C.V., such other entity’s partnership agreement, statute, articles, bylaws or other governing document or agreement, whichever applies, has to contain provisions similar to Article 12.1 and this Article 12.2.
- 12.3 Any admission or substitution without the unanimous prior written consents required under this Article 12.1 shall be null and void.
- 12.4 Any admission or substitution of a Partner, an Upper-tier Partner or a Lower-tier Partner does not cause the C.V. to terminate or to dissolve.
13. **Limited liability of Partner(s); Investment Opportunities; Performance of Duties; Conflicts of Interest**
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- 13.1 The Limited Partner(s) shall have no liability with respect to the debts of or the claims against the C.V.; each Limited Partner shall only be liable to make its agreed capital contributions.
- 13.2 Except as otherwise provided by applicable law, a Partner may, but shall not be obligated to, lend money to the C.V., act as a surety or guarantor for the C.V., or transact other business with the C.V., and has the same rights and obligations when transacting business with the C.V. as a person or entity who is not a Partner.
- 13.3 To the fullest extent permitted by applicable law, the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to the Partners, and any of their respective affiliates and any of their respective officers, directors, agents, shareholders, members, partners, affiliates and subsidiaries (other than the C.V. and its subsidiaries) (each, a “Business Opportunity Exempt Party”). The C.V. renounces any interest or expectancy of the C.V. in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to any Business Opportunity Exempt Party. No Business Opportunity Exempt Party who acquires knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for the C.V. shall have any duty to communicate or offer such opportunity to the C.V. No amendment or repeal of this Article 13.3 shall apply to or have any effect on the liability or alleged liability of any Business Opportunity Exempt Party for or with respect to any opportunities of which any such Business Opportunity Exempt Party becomes aware prior to such amendment or repeal. Any Person purchasing or otherwise acquiring any interest in any FINV shares or interests in the C.V. shall be deemed to have notice of and consented to the provisions of this Article 13.3. Neither the alteration, amendment or repeal of this Article 13.3, nor the adoption of any provision inconsistent with this Article 13.3, shall eliminate or reduce the effect of this Article 13.3 in respect of any business opportunity first identified or any other matter occurring, or any cause of action, suit or claim that, but for this Article 13.3, would accrue or arise, prior to such alteration, amendment, repeal or adoption. Notwithstanding the foregoing, a Business Opportunity Exempt Party who is a director or officer of the Managing Partner and who is offered a business opportunity of the Managing Partner reasonably determined by the party receiving the opportunity to be expressly in his or her capacity as a director or officer of the Managing Partner shall be obligated to communicate and offer such business opportunity to the Managing Partner and the Managing Partner and the C.V. do not renounce any such opportunity. Nothing this Article
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13.3 shall limit the confidentiality obligations set forth in Article 11 or any fiduciary obligations of the directors of the Managing Partner.

13.4 In performing its, his or her duties, each of the Partners shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the C.V. and its subsidiaries), of the following other Persons or groups: (i) one or more officers or employees of such Partner or the C.V. or any of its subsidiaries, (ii) any attorney, independent accountant or other Person employed or engaged by such Partner or the C.V. or any of its subsidiaries, or (iii) any other Person who has been selected with reasonable care by or on behalf of such Partner or the C.V. or any of its subsidiaries, in each case, as to matters which such relying Person reasonably believes to be within such other Person's professional or expert competence.

14. Indemnification

14.1 To the fullest extent permissible by law, the C.V. shall indemnify and reimburse for, and hold harmless against, each of the Limited Partners, the Managing Partner and their respective affiliates and the stockholders, members, managers, directors, officers, partners, employees and agents of the Partners, the Managing Partner and their respective affiliates (collectively, the "Indemnified Persons"):

- a. any and all liabilities, claims, judgments, fines and penalties (collectively, the "Claims") incurred by an Indemnified Person as a result of any expected, threatened, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (each a "Legal Action") in relation to any act or omission in or related to his or her capacity as Indemnified Person; and
- b. any expenses (including reasonable attorneys' fees and litigation costs) (collectively, "Expenses") incurred by an Indemnified Person in connection with any Legal Action.

14.2 An Indemnified Person will not be held harmless, indemnified and reimbursed as referred to above in paragraph 1, if and to the extent:

- a. a Dutch court has made a final and binding judgment that the act or omission of the Indemnified Person can be characterized as willful misconduct (*opzet*), willful recklessness (*bewuste roekeloosheid*) or serious culpability (*ernstig verwijt*); and/or
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- b. the costs or the loss of the Indemnified Person is covered by insurance and the insurer has compensated him or her for the costs or loss.
- 14.3 When a Dutch court has made a final and binding judgment that an Indemnified Person has no claim to the indemnification as referred to above in paragraph 1, the Indemnified Person shall immediately repay to the C.V. any amount of indemnification it received from the company. The C.V. can demand surety for the repayment obligation of the concerned party.
- 14.4 The company shall use all its reasonable endeavors to provide for, and shall bear the cost of, insurance covering Claims against, and Expenses incurred by, the Indemnified Persons in connection with any Legal Action.
- 14.5 The C.V. may enter into agreements with the Managing Partner to provide for indemnification consistent with the terms and conditions set forth in this Article 14. Unless otherwise agreed by the Managing Partner, the C.V. shall maintain insurance, at its expense, on its own behalf and on behalf of the Indemnified Persons against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the C.V. would have the power to indemnify such person against such liability under this Article 14.
- 14.6 Expenses incurred by an Indemnified Person in defending a Proceeding shall be paid by the C.V. in advance of such Proceeding's final disposition upon receipt of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the C.V. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Managing Partner deems appropriate. The indemnification and advancement of expenses set forth in this Article 14 shall continue as to an Indemnified Person who has ceased to be a named Indemnified Person and shall inure to the benefit of the heirs, executors, administrators, successors and permitted assigns of such a person.
- 14.7 Persons who are not covered by the foregoing provisions of this Article 14 and who are or were partners, employees or agents of the C.V., or who are or were serving at the request of the C.V. as employees or agents of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the Managing Partner.
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- 14.8 The provisions of this Article 14 shall be deemed to be a contract right between the C.V. and each person who serves in such capacity at any time while this Article 14 and the relevant provisions of applicable law are in effect, and any repeal or modification of this Article 14 or any such law shall not affect any rights or obligations then existing with respect to any state of facts or Proceeding then existing. The indemnification and other rights provided for in this Article 14 shall inure to the benefit of the heirs, executors and administrators of any Indemnified Person. Except as provided in Article 14, the C.V. shall indemnify any such person seeking indemnification in connection with a Proceeding initiated by such person only if such Proceeding was authorized by the Managing Partner.
- 14.9 For purposes of this Article 14, references to “the C.V.” shall include, in addition to the resulting company, any constituent company (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its managers, directors, officers, employees or agents, so that any Person who is or was a manager, director, officer, employee or agent of such constituent company, or is or was serving at the request of such constituent company as a director, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article 14 with respect to the resulting or surviving company as he or she would have with respect to such constituent company if its separate existence had continued. For purposes of this Article 14, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to “serving at the request of the C.V.” shall include any service as a manager, officer, employee or agent of the C.V. that imposes duties on, or involves services by, such manager, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the C.V.” as referred to in this Article 14.
- 14.10 Anything herein to the contrary notwithstanding, any indemnity by the C.V. relating to the matters covered in this Article 14 shall be provided out of and to the extent of C.V. assets only and no Partner (unless such Partner otherwise agrees in writing or is found in a final decision of a court of competent jurisdiction to have personal liability on account thereof) shall have
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personal liability on account thereof or shall be required to make additional contributions to help satisfy such indemnity of the C.V.

15. Notices

The notices given pursuant to this Agreement shall be in writing and shall be sufficiently given if delivered by hand (or sent by first class mail) to the recipient at the address set out below. Any notice sent by hand shall be deemed effective at the time of receipt; any notice sent by mail shall be deemed effective seven days after the date on which it was sent.

to FIM:

Frank's International Management B.V.

Attn. Managing Director

Prins Bernhardplein 200

1097 JB Amsterdam

The Netherlands

to FILP:

Frank's International LP B.V.

Attn. Managing Director

Prins Bernhardplein 200

1097 JB Amsterdam

The Netherlands

to MH:

Mosing Holdings, Inc.

Attn. President

10260 Westheimer Rd

Houston, Texas 77042

United States of America

16. Miscellaneous

- 16.1 Article headings are inserted in this Agreement for case of reference only and do not form a part of this Agreement for the purposes of interpretation.
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- 16.2 If any part of this Agreement becomes invalid or unenforceable the parties shall endeavor to agree to such amendment, which shall, as far as possible, effect the intentions expressed herein. In default of such agreement, the invalidity of such provision shall not affect the other provisions of this Agreement and all provisions not affected by the invalidity shall remain in full force and effect.
- 16.3 The authentic language of this Agreement shall be the English language and all notices, reports and other communications hereunder shall be in English.
- 16.4 No provision of this Agreement may be amended or waived without the unanimous prior written consent of the Partners.

17. Governing law and settlement of disputes

- 17.1 This Agreement shall be governed and construed in accordance with the laws of the Netherlands.
- 17.2 The parties hereto shall use their best endeavors to settle any possible disputes in an amicable way. In the event conciliation fails, all disputes arising in connection with this Agreement or further agreements resulting thereof, shall be finally settled by the Court of Amsterdam, The Netherlands.
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IN WITNESS WHEREOF this Agreement was executed in threefold by the parties hereto on the day and year first above written.

Frank's International Management B.V.

By: Donald Keith Mosing

Title: Managing director

Signature: /s/ Donald Keith Mosing

Frank's International LP B.V.

By: Donald Keith Mosing

Title: Managing director A

Signature: /s/ Donald Keith Mosing

By: Intertrust (Netherlands) B.V.

Title: Managing director B

Signature: /s/ Pieter Oostheek Signature: /s/ D.J. Jaarsma

Name: Pieter Oostheek Name: D.J. Jaarsma

Title: Proxy holder Title: Proxy holder

Mosing Holdings, Inc.

By: Donald Keith Mosing

Title: President

Signature: /s/ Donald Keith Mosing

EXHIBIT A
United States Tax Provisions

This Exhibit A reflects the agreement of the Partners regarding certain **UNITED STATES TAX MATTERS**, including that for United States federal income tax purposes, the C.V. shall maintain a capital account for each Partner and shall allocate all items of the C.V.'s income, gain, loss and deduction as provided for in this Exhibit A.

A-1. Definitions. Capitalized words and phrases used in this Exhibit A have the respective meanings ascribed to them in Amendment No. 5 to The Limited Partnership Agreement of Frank's International C.V. dated effective October 14, 2013 (the "Agreement") except as otherwise provided below. As used in this Exhibit A, the following terms shall have the following meanings:

"Adjusted Capital Account" means the capital account maintained for each Partner, (a) increased by any amounts that such Partner is obligated to restore or is treated as obligated to restore under Treasury Regulation Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i)(5), and (b) decreased by any amounts described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) with respect to such Partner. The foregoing definition of "Adjusted Capital Account" is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and 1.704-2 and shall be interpreted consistently therewith.

"Allocation Period" means the period (a) commencing on the date hereof or, for any Allocation Period other than such first Allocation Period, the day following the end of a prior Allocation Period and (b) ending (A) on the last day of each Fiscal Year, (B) on the day preceding any day in which an adjustment to the Book Value of the C.V.'s properties pursuant to clause (b)(i), (ii), (iii) or (v) of the definition of Book Value occurs, (C) immediately after any day in which an adjustment to the Book Value of the C.V.'s properties pursuant to clause (b)(iv) of the definition of Book Value occurs, or (D) on any other date determined by the Managing Partner.

"Book Value" means, with respect to any property or Obligation of the C.V., such property's adjusted basis or such Obligation's adjusted issue price for U.S. federal income tax purposes, except as follows:

(a) The initial Book Value of any property contributed by a Partner to the C.V. shall be the fair market value of such property as determined by the Managing Partner as of the date of such contribution.

(b) The initial Book Value of any Obligation assumed, or taken subject to, by the C.V. from a Partner in connection with a contribution to the C.V. subject to Code Section 721 shall be the Gross Liability Value of such Obligation as determined by the Managing Partner as of the date of such assumption or taking subject to.

(c) The Book Values of all properties shall be adjusted to equal their respective fair market values as determined by the Managing Partner in connection with (i) the acquisition of an interest (or additional interest) in the C.V. by any new or existing Partner in exchange for more than a de minimis Capital Contribution to the C.V. or in exchange for the performance of more than a de minimis amount of services to or for the benefit of the C.V., (ii) the distribution by the C.V. to a Partner of more than a de minimis amount of property as consideration for an interest in the C.V., (iii) the liquidation of the C.V., including within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g)(1) (other than pursuant to Code Section 708(b)(1)(B)), or (iv) any other event to the extent determined by the Managing Partner to be permitted and necessary to properly reflect Book Values in accordance with the standards set forth in Treasury Regulation Section 1.704-1(b)(2)(iv)(q); provided that adjustments pursuant to clauses (i), (ii) and (iv) above shall be made only if the Managing Partner reasonably determines that

such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the C.V.

(d) The Book Value of property distributed to a Partner shall be adjusted immediately prior to the distribution to equal the fair market value of such property as determined by the Managing Partner as of the date of such distribution and the Book Value of any Obligation of the C.V. that is assumed, or taken subject to, by a Partner in connection with a distribution of property to the Partner in a transaction subject to Code Section 731 shall be adjusted immediately prior thereto to equal the Gross Liability Value of such Obligation as of the date it is assumed or taken subject to by such Partner.

(e) The Book Value of all property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such property pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining capital accounts pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m) and clause (f) of the definition of Profits or Losses or Section A-4(h); provided, however, that the Book Value of property shall not be adjusted pursuant to this clause (e) to the extent that the Managing Partner reasonably determines an adjustment pursuant to clause (c) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (e).

(f) The Book Value of each Obligation of the C.V. shall be adjusted to equal the obligation's Gross Liability Value as determined by the Managing Partner at such times as an adjustment to the Book Value of property of the C.V. is made pursuant to clause (c) hereof..

(g) If the Book Value of property has been determined or adjusted pursuant to clauses (a), (c) or (e) hereof, such Book Value shall thereafter be adjusted by the Depreciation taken into account with respect to such property for purposes of computing Profits and Losses and other items allocated pursuant hereto.

(h) If the Book Value of an Obligation of the C.V. has been determined or adjusted pursuant to clauses (b) or (f) hereof, such Book Value shall thereafter be adjusted based on the method adopted under subparagraph (g) of the definition of "Profits" and "Losses" to determine the extent to which the Book Value of such Obligation is treated as satisfied or otherwise taken into account.

"Capital Contribution" means, with respect to any Partner, the amount of money, and the initial Book Value of any property contributed to the C.V. by such Partner, in accordance with Article IV; provided that any deemed contribution pursuant to Article 4.4(b)(i) shall not be treated as a Capital Contribution for purposes of determining the Partners' capital accounts and instead the revaluation of the property and Obligations of the C.V. pursuant to the definition of "Book Value" and the resulting adjustment of the Partners' capital accounts hereunder shall be made in a manner consistent with the provisions of Article 4.4(b)(i). Any reference to the Capital Contributions of a Partner will include the Capital Contributions made by a predecessor holder of such Partner's interest in the C.V. to the extent the Capital Contribution was made in respect of interest in the C.V. Transferred to such Partner.

"Code" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law.)

"Depreciation" means, for each Allocation Period an amount equal to the depreciation, amortization or other cost recovery deduction allowable for U.S. federal income tax purposes with respect to property for such Allocation Period, except that (a) with respect to any such property the Book Value of which differs from its adjusted tax basis for U.S. federal income tax purposes and which difference is being eliminated by use of the "traditional method with curative allocations" pursuant to Treasury Regulation Section 1.704-3(d), Depreciation for such Allocation Period shall be the amount of book basis recovered for such Allocation Period under the rules prescribed by Treasury Regulation Section

1.704-3(c), and (b) with respect to any other such property the Book Value of which differs from its adjusted tax basis at the beginning of such Allocation Period, Depreciation shall be an amount which bears the same ratio to such beginning Book Value as the U.S. federal income tax depreciation, amortization, or other cost recovery deduction for such Allocation Period bears to such beginning adjusted tax basis; *provided* that if the adjusted tax basis of any property at the beginning of such Allocation Period is zero dollars (\$0.00), Depreciation with respect to such property shall be determined with reference to such beginning value using any reasonable method selected by the Managing Partner.

“**Economic Risk of Loss**” has the meaning set forth in Treasury Regulation Section 1.752-2(a).

“**Fiscal Year**” means the fiscal year of the C.V. which shall end on December 31 of each calendar year unless, for U.S. federal income tax purposes, another fiscal year is required. The C.V. shall have the same fiscal year for U.S. federal income tax purposes and for accounting purposes.

“**Gross Liability Value**” means, with respect to any Obligation of the C.V., the amount of cash that a willing assignor would pay to a willing assignee to assume such Obligation in an arm's-length transaction.

“**Minimum Gain**” has the meaning assigned to that term in Treasury Regulation Section 1.704-2(d).

“**Nonrecourse Deduction**” has the meaning assigned to that term in Treasury Regulation Section 1.704-2(b).

“**Obligation**” has the meaning assigned to that term in Treasury Regulation Section 1.752-1(a)(4)(ii).

“**Partner Nonrecourse Debt**” has the meaning assigned to the term “partner nonrecourse debt” in Treasury Regulation Section 1.704-2(b)(4).

“**Partner Nonrecourse Debt Minimum Gain**” has the meaning assigned to the term “partner nonrecourse debt minimum gain” in Treasury Regulation Section 1.704-2(i)(2).

“**Partner Nonrecourse Deduction**” has the meaning assigned to the term “partner nonrecourse deduction” in Treasury Regulation Section 1.704-2(i)(1).

“**Profits**” or “**Losses**” means, for each Allocation Period, an amount equal to the C.V.’s taxable income or loss for such period as computed for U.S. federal income tax purposes, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the C.V. that is exempt from U.S. federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this definition of “Profits” and “Losses” shall be added to such taxable income or loss;

(b) Any expenditures of the C.V. described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses,” shall be subtracted from such taxable income or loss;

(c) In the event the Book Value of any asset is adjusted pursuant to clause (c) or clause (d) of the definition of Book Value, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Book Value of the asset) or an item of loss (if the adjustment decreases the

Book Value of the asset) from the disposition of such asset and shall, except to the extent allocated pursuant to Section A-4, be taken into account for purposes of computing Profits or Losses;

(d) In the event the Book Value of any Obligation is adjusted pursuant to clause (d) or clause (f) of the definition of Book Value, the amount of such adjustment shall be treated for purposes hereof as an item of loss (if the adjustment increases the Book Value of such Obligation) or an item of gain (if the adjustment decreases the Book Value of such Obligation);

(e) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Book Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Book Value;

(f) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation;

(g) In determining Profits and Losses, income, gain, deduction or loss resulting from the satisfaction of, or accrual for federal income tax purposes of items with respect to, an Obligation of the C.V. with a Book Value that differs from its adjusted issue price (if any) shall be computed by reference to the Book Value of such Obligation, with the extent to which the Book Value of such Obligation is treated as satisfied or otherwise taken into account being determined under any reasonable method adopted by the Managing Partner;

(h) To the extent an adjustment to the adjusted tax basis of any asset pursuant to Code Section 734(b) is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining capital account balances as a result of a distribution other than in liquidation of a Partner's interest in the C.V., the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or an item of loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(i) Any items that are allocated pursuant to Section A-4 shall not be taken into account in computing Profits and Losses, but such items available to be specially allocated pursuant to Section A-4 will be determined by applying rules analogous to those set forth in subparagraphs (a) through (g) above.

“Treasury Regulations” means the income tax regulations promulgated under the Code, as they may be amended from time to time.

A-2. Capital Accounts. A capital account shall be established and maintained for each Partner in accordance with the requirements of Treasury Regulation Section 1.704-1(b)(2)(iv). Each Partner's capital account (a) shall be increased by (i) the amount of money contributed by such Partner to the C.V., (ii) the Book Value of property contributed by such Partner to the C.V. (net of the Gross Liability Value of any Obligations secured by the contributed property that the C.V. is considered to assume or take subject to under Code Section 752 or would be considered to have assumed or taken subject to for purposes of Code Section 752 if such Obligation were a liability for purposes of Code Section 752), (iii) allocations to such Partner of Profits and any other items of income or gain allocated to such Partner, and (iv) the Gross Liability Value of any Obligation assumed (or deemed assumed) by the Partner that would not otherwise be taken into account under subparagraph (b)(iii) of this Section A-2 and (b) shall be decreased by (i) the amount of money distributed to such Partner by the C.V., (ii) the Gross Liability Value of any Obligation assumed (or deemed assumed) by the C.V. that would not otherwise be taken into account under subparagraph (a)(ii) of this Section A-2, (iii) the Book Value of property distributed to such Partner by the C.V. (net of the Gross Liability Value of any Obligations secured by the distributed property that such Partner is considered to assume or take subject to under Code Section 752 or would

be considered to have assumed or taken subject to for purposes of Code Section 752 if such Obligation were a liability for purposes of Code Section 752), and (iv) allocations to such Partner of Losses and any other items of loss or deduction allocated to such Partner. The Partners agree that the initial capital account balances of each Partner shall be in the amount as set forth in Exhibit B. On the transfer of all or part of a Partner's interest in the C.V., the capital account of the transferor that is attributable to the transferred interest in the C.V. shall carry over to the transferee Partner in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(1). For purposes of this Section A-2, in connection with the contribution or distribution of an interest in an entity that is disregarded for U.S. federal income tax purposes, liabilities of such entity shall be treated as secured by the property of that entity. For purposes of determining each partner's capital account in connection with an offering of stock by FINV, the principles set forth in Section 4.4(b) of the Agreement shall apply. As set forth in Article 4.5(b) of the Agreement, in connection with the issuance of stock in FINV to an employee or other service provider for services rendered to or for the benefit of FICV, that section shall apply for the purposes of maintaining capital accounts.

A-3. Allocations of Profits and Losses. After giving effect to the allocations under Section A-4.1, Profits and Losses (and to the extent determined by the Managing Partner to be necessary and appropriate to achieve the resulting capital account balances described below, any allocable items of gross income, gain, loss and expense includable in the computation of Profits and Losses) for each Allocation Period shall be allocated among the Partners during such Allocation Period, in such a manner as shall cause the capital accounts of the Partners (as adjusted to reflect all allocations under Section A-4 and all distributions through the end of such Allocation Period) to equal, as nearly as possible, (a) the amount such Partners would receive if all assets of the C.V. on hand at the end of such Allocation Period were sold for cash equal to their Book Values, all Obligations of the C.V. were satisfied in cash for an amount equal to their Book Values (limited in the case of non-recourse debt to the Book Value of the property securing such debt), and all remaining or resulting cash were distributed to the Partners in accordance with their Percentage Interests *minus* (b) such Partner's share of Minimum Gain and Partner Nonrecourse Debt Minimum Gain, computed immediately prior to the hypothetical sale of assets, and the amount any such Partner is treated as obligated to contribute to the C.V., computed immediately after the hypothetical sale of assets.

A-4. Special Allocations. The following allocations shall be made in the following order:

(a) *Nonrecourse Deductions.* Nonrecourse Deductions shall be allocated to the Partners as determined by the Managing Partner, to the extent permitted by the Treasury Regulations.

(b) *Partner Nonrecourse Deductions Attributable to Partner Nonrecourse Debt.* Partner Nonrecourse Deductions attributable to Partner Nonrecourse Debt shall be allocated to the Partners bearing the Economic Risk of Loss for such Partner Nonrecourse Debt as determined under Treasury Regulation Section 1.704-2(b)(4). If more than one Partner bears the Economic Risk of Loss for such Partner Nonrecourse Debt, the Partner Nonrecourse Deductions attributable to such Partner Nonrecourse Debt shall be allocated among the Partners according to the ratio in which they bear the Economic Risk of Loss. This Section A-4(b) is intended to comply with the provisions of Treasury Regulation Section 1.704-2(i) and shall be interpreted consistently therewith.

(c) *Partner Minimum Gain Chargeback.* Notwithstanding any other provision hereof to the contrary, if there is a net decrease in Minimum Gain for an Allocation Period (or if there was a net decrease in Minimum Gain for a prior Allocation Period and the C.V. did not have sufficient amounts of income and gain during prior periods to allocate among the Partners under this Section A-4(c)), items of income and gain shall be allocated to each Partner in an amount equal to such Partner's share of the net decrease in such Minimum Gain (as determined pursuant to Treasury Regulation Section 1.704-2(g)(2)). This Section A-4(c) is intended to constitute a minimum gain chargeback under Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(d) *Partner Nonrecourse Debt Minimum Gain Chargeback*. Notwithstanding any provision hereof to the contrary except Section A-4(c) (dealing with Minimum Gain), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain for an Allocation Period (or if there was a net decrease in Partner Nonrecourse Debt Minimum Gain for a prior Allocation Period and the C.V. did not have sufficient amounts of income and gain during prior periods to allocate among the Partners under this Section A-4(d), items of income and gain shall be allocated to each Partner in an amount equal to such Partner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain (as determined pursuant to Treasury Regulation Section 1.704-2(i)(4)). This Section A-4(d) is intended to constitute a partner nonrecourse debt minimum gain chargeback under Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(e) Notwithstanding any provision hereof to the contrary except Section A-4(a) and Section A-4(b), no Losses or other items of loss or expense shall be allocated to any Partner to the extent that such allocation would cause such Partner to have a deficit balance in its Adjusted Capital Account (or increase any existing deficit balance in its Adjusted Capital Account) at the end of such Allocation Period. All Losses and other items of loss and expense in excess of the limitation set forth in this Section A-4(e) shall be allocated to the Partners who do not have a deficit balance in their Adjusted Capital Accounts in proportion to their relative positive Adjusted Capital Accounts but only to the extent that such Losses and other items of loss and expense do not cause any such Partner to have a deficit in its Adjusted Capital Account.

(f) *Qualified Income Offset*. Notwithstanding any provision hereof to the contrary except Section A-4(c) and Section A-4(d), a Partner who unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) shall be allocated items of income and gain (consisting of a pro rata portion of each item of income, including gross income, and gain for the Allocation Period) in an amount and manner sufficient to eliminate any deficit balance in such Partner's Adjusted Capital Account as quickly as possible; provided that an allocation pursuant to this Section A-4(f) shall be made only if and to the extent that such Partner would have deficit Adjusted Capital Account balance after all other allocations provided for in this Exhibit A have been tentatively made as if this Section A-4(f) were not in this Agreement. This Section A-4(f) is intended to constitute a qualified income offset under Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(g) *Gross Income Allocation*. In the event that any Partner has a deficit balance in its Adjusted Capital Account at the end of any Allocation Period, such Partner shall be allocated items of C.V. gross income and gain in the amount of such deficit as quickly as possible; *provided* that an allocation pursuant to this Section A-4(g) shall be made only if and to the extent that such Partner would have a deficit balance in its capital account after all other allocations provided for in this Exhibit A have been tentatively made as if Section A-4(f) and this Section A-4(g) were not in this Exhibit A.

(h) *Section 754 Adjustments*. To the extent an adjustment to the adjusted tax basis of any C.V. properties pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv) (m)(2) or 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining capital accounts as the result of a distribution to any Partner in complete liquidation of such Partner's interest in the C.V., the amount of such adjustment to capital accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be allocated to the Partners in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(2) if such Treasury Regulation Section applies, or to the Partner to whom such distribution was made if Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(4) applies.

A-5. Income Tax Allocations.

(a) All items of income, gain, loss and deduction for U.S. federal income tax purposes shall be allocated in the same manner as the corresponding item is allocated pursuant to Section 6.01 or Section A-4, except as otherwise provided in this Section A-4.

(b) In accordance with the principles of Code Section 704(c) and the Treasury Regulations thereunder (including the Treasury Regulations applying the principles of Code Section 704(c) to changes in Book Values), income, gain, deduction and loss with respect to any C.V. property or Obligations having a Book Value that differs from such property's adjusted tax basis or adjusted issue price, respectively, for U.S. federal income tax purposes shall, solely for U.S. federal income tax purposes, be allocated among the Partners in order to account for any such difference using the "traditional method with curative allocations" under Treasury Regulation Section 1.704-3(c) or such other method or methods as determined by the Managing Partner to be appropriate and in accordance with the applicable Treasury Regulations.

(c) Any (i) recapture of depreciation or any other item of deduction shall be allocated, in accordance with Treasury Regulations Sections 1.1245-1(e) and 1.1254-5, to the Partners who received the benefit of such deductions (taking into account the effect of allocations under Code Section 704(c)), and (ii) recapture of grants credits shall be allocated to the Partners in accordance with applicable law.

(d) Tax credits of the C.V. shall be allocated among the Partners as provided in Treasury Regulation Sections 1.704-1(b)(4)(ii) and 1.704-1(b)(4)(viii).

(e) Allocations pursuant to this Section A-4 are solely for purposes of U.S. federal, state, and local taxes and, except as otherwise specifically provided, shall not affect, or in any way be taken into account in computing, any Partner's capital account or share of Profits, Losses, other items or distributions pursuant to any provision of this Exhibit A or the Agreement.

A-6. Other Allocation Rules.

(a) All items of income, gain, loss, deduction and credit allocable to an interest in the C.V. that may have been Transferred shall be allocated between the Transferor and the Transferee based on the portion of the Fiscal Year during which each was recognized as the owner of such interest, without regard to the results of C.V. operations during any particular portion of that year and without regard to whether cash distributions were made to the Transferor or the Transferee during that year; provided, however, that this allocation must be made in accordance with a method permissible under Code Section 706 and the Treasury Regulations thereunder.

(b) The Partners' proportionate shares of the "excess nonrecourse liabilities" of the C.V., within the meaning of Treasury Regulation Section 1.752-3(a)(3), shall be allocated to the Partners in any manner determined by the Managing Partner and permissible under the Treasury Regulations.

(c) The allocations set forth in Sections A-3, A-4, A-5 and the preceding provisions of this Section A-6 are intended to comply with the Treasury Regulations. If the Managing Partner determines that a Partner's capital account or the allocations to a Partner are not in compliance with the Treasury Regulations, the Managing Partner is authorized to make any appropriate adjustments.

A-7. Tax Matters Partner; Section 754 Election; Tax Classification.

(a) Tax Matters Partner. The "Tax Matters Partner" (as such term is defined in Section 6231(a)(7) of the Code) of the C.V. shall be the General Partner. The Tax Matters Partner shall use commercially reasonable efforts to comply with the responsibilities outlined in Sections 6221 through 6233 of the Code (including the Regulations promulgated thereunder) and shall have any powers necessary to perform

fully in such capacity. In such regard, the Tax Matters Partner's authority shall include the authority to (i) prepare and file all tax returns of the C.V., (ii) make such elections under the Code and other relevant tax laws in a manner consistent with the provisions of this Exhibit A as to the treatment of items of C.V. income, gain, loss and deduction, (iii) determine which items of cash outlay are to be capitalized or treated as current expenses, (iv) select the method of accounting and bookkeeping procedures to be used by the C.V., and (v) represent the C.V. before taxing authorities and courts in tax matters affecting the C.V. and the Partners in their capacity as such and shall keep the Partners informed of any such administrative and judicial proceedings. The Tax Matters Partner shall be entitled to be reimbursed by the C.V. for all costs and expenses incurred by it in connection with any administrative or judicial proceeding affecting tax matters of the C.V. and the Partners in their capacity as such and to be indemnified by the C.V. (solely out of C.V. assets) with respect to any action brought against it in connection with any judgment in or settlement of any such proceeding. Any Partner who enters into a settlement agreement with respect to any C.V. item shall notify the Tax Matters Partner of such settlement agreement and its terms within 30 days after the date of settlement. This Section A-7(a) shall survive any termination of this Exhibit A or the C.V.

(a) Section 754 Election. In the event of a transfer of an interest in the C.V. as permitted pursuant to this Exhibit A or a distribution of property to a Partner, the Tax Matters Partner shall cause the C.V. to make a timely election (a "Section 754 Election") under Section 754 of the Code.

(b) Classification as a Partnership. The parties hereto intend the C.V. be classified as a Partnership for United States federal income tax purposes effective as of the date of formation. The General Partner shall not elect to have the C.V. classified as an association taxable as a corporation for United States federal income tax purposes pursuant to Regulation section 301.7701-3. The Tax Matters Partner shall, for and on behalf of the C.V., take all steps as may be required to maintain the C.V.'s classification as a Partnership for federal income tax purposes, including affirmatively electing to classify the C.V. as a Partnership by timely executing and filing Internal Revenue Service Form 8832 effective as of the date of formation of the C.V. By incorporating this Exhibit A into the Agreement, each of the parties hereto consents to the authority of the Tax Matters Partner to make any such election and shall cooperate in the making of such election (including providing consents and other authorizations that may be required). The C.V. shall not, with respect to the partnership interests in the C.V., "participate" (within the meaning of Regulation section 1.7704-1(d)(1)) in the establishment of an "established securities market" (within the meaning of Regulation section 1.7704-1(b)) or a "secondary market or the substantial equivalent thereof" (within the meaning of Regulation section 1.7704-1(c)) or, in either case, the inclusion of the partnership interests in the C.V. thereon.

EXHIBIT B

Initial Capital Account Balances

<u>FIM</u>	<u>FILP</u>	<u>MH</u>	<u>Total</u>
\$4,543,000	\$3,372,985,000	\$1,165,472,000	\$4,543,000,000

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Donald Keith Mosing, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this "report") of Frank's International N.V. ("the registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2013

/s/ Donald Keith Mosing
Donald Keith Mosing
Chief Executive Officer and President

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Mark G. Margavio, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this "report") of Frank's International N.V. ("the registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2013

/s/ Mark G. Margavio

Mark G. Margavio

Vice President, Chief Financial Officer and Treasurer

**CERTIFICATION OF
CHIEF EXECUTIVE OFFICER UNDER SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350**

In connection with the Quarterly Report of Frank's International (the "Company") on Form 10-Q for the period ended September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald Keith Mosing, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of this Sarbanes Oxley Act of 2002, that, to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

November 13, 2013

/s/ Mark G. Margavio

Mark G. Margavio

Vice President, Chief Financial Officer and Treasurer

**CERTIFICATION OF
CHIEF FINANCIAL OFFICER UNDER SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350**

In connection with the Quarterly Report of Frank's International N.V. (the "Company") on Form 10-Q for the period ended September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark G. Margavio, Chief Executive Officer, Vice President and Treasurer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of this Sarbanes Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 13, 2013

/s/ Mark G. Margavio

Mark G. Margavio

Vice President, Chief Financial Officer and Treasurer