February 27th, 2014

SHAWCOR LTD.
(TSX: SCL)

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES FOURTH QUARTER AND RECORD 2013 RESULTS

- For the full year 2013, revenue, EBITDA, net income (attributable to shareholders of the Company) and diluted earnings per share all reached record levels of $1.8 billion, $391 million, $220 million, and $3.51 per share respectively.
- Fourth quarter revenue of $409.8 million decreased by $116.1 million, or 22%, from the record $525.8 million reported in the third quarter of 2013 and decreased by 7% from the $439.5 million reported in the fourth quarter a year ago.
- EBITDA in the fourth quarter of 2013 was $57.1 million, reduced by $71.1 million, or 55.5%, from the record level of the third quarter of 2013 and also lower by $44.8 million, or 44.0%, from the fourth quarter a year ago. Fourth quarter 2013 EBITDA was negatively affected by one-time charges of $10.7 million for restructuring costs and amended executive retirement arrangements that are reported in SG&A expenses.
- Net income (attributable to shareholders of the Company) in the fourth quarter was $22.4 million (or $0.37 per share diluted) compared with net income of $80.3 million (or $1.13 per share diluted) in the fourth quarter of the prior year.

Mr. Bill Buckley, Chief Executive Officer of ShawCor Ltd. remarked "We are of course very pleased to announce the record full year 2013 financial results. The Company's performance in 2013 was the result of excellent execution in all of our business operations and in particular in our Asia Pacific region where we successfully executed the largest projects in the Company's history".

Mr. Buckley added "Fourth quarter results did soften from the exceptional levels seen in the third quarter following completion of the $400 million Inpex Ichthys gas export pipeline project in Asia Pacific and as a result of one-time charges. These charges include restructuring costs and a loss on the sale of the Brazil joint venture, partially offset by a gain on the sale of land with a resulting impact on net income (attributable to the shareholders of the Company) of approximately $11 million. For 2014, we are expecting reduced revenue and earnings versus 2013; however, the Company's financial performance is expected to result in strong cash flow generation. Furthermore, given the Company's current high level of outstanding bids, the Company is well positioned to produce backlog growth, if a significant portion of these bids are converted to production orders, and to consequently generate strong revenue and earnings growth in 2015 and beyond."

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months ended December 31,				Twelve Months ended December 31,			
		2013		2012[c]		**2013**		2012[c]
Revenue	**$**	**409,759**	$	439,499	**$**	**1,847,549**	$	1,469,187
Gross profit		**162,645**		181,483		**788,603**		574,183
Gross profit %		**39.7%**		41.3%		**42.7%**		39.1%
EBITDA[a]		**57,139**		101,891		**391,223**		265,254
Income from operations		**47,236**		92,962		**319,774**		211,053
Net income for the period[b]	**$**	**22,397**	$	80,275	**$**	**219,862**	$	178,310
Earnings per share:								
Basic	**$**	**0.37**	$	1.14	**$**	**3.55**	$	2.53
Fully diluted	**$**	**0.37**	$	1.13	**$**	**3.51**	$	2.50

(a) EBITDA is a non-GAAP measure calculated by adding back to net income the sum of net finance costs, income taxes, depreciation/amortization of property, plant and equipment and intangible assets, gains/losses from assets sold or held for sale, and impairment of assets. EBITDA does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures provided by other companies. EBITDA is used by many analysts in the oil and gas industry as one of several important analytical tools.
(b) Attributable to shareholders of the Company, excluding non-controlling interests.
(c) Restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

1.0 KEY DEVELOPMENTS

Sale of Brazilian Joint Venture Interest

On December 4 , 2013, the Company announced an agreement for the sale, subject to regulatory approval, of its Socotherm division's joint venture interest in Socotherm Brasil to its joint venture partner, Tenaris. Socotherm Brasil operates a pipe coating facility which is managed by Tenaris and which is located at the Confab welded pipe mill in Pindamonhangaba, Brazil.

From the sale, ShawCor expects to realize net proceeds of approximately US$28.5 million, with a further potential earn out based on future performance. In the fourth quarter, the Company recorded a net loss of $8.3 million from the Brazilian Joint Venture, comprised of a $2.8 million loss on investment in joint venture, a $0.9 million loss on assets held for sale, $2.7 million in income taxes on the sale, and a $1.9 million loss included in non-controlling interest. This non-controlling interest expense represents the minority interest share of the gain reported at the Socotherm subsidiary level, notwithstanding the fact that there is a loss on the sale at a ShawCor consolidated level.

The sale of Socotherm's joint venture interest in Socotherm Brasil is consistent with ShawCor's strategy to focus its pipe coating investments on operations it manages and controls. Following the sale, ShawCor will continue to serve Tenaris' global pipe coating needs and the Brazilian pipe coating market from its global pipe coating plant network.

Development Agreement with Vintri Technologies Inc.

On December 20, 2013, ShawCor entered into a development agreement with Calgary, Alberta based Vintri Technologies Inc. ("Vintri"), whereby Vintri will develop for ShawCor's Bredero Shaw division, a cloud based plant management and shop floor data collection system providing accurate asset identification and traceability. In consideration for the development agreement, ShawCor has been provided a minority equity interest in Vintri for nil consideration.

Equity investment in ZEDI Inc.

On February 20, 2014, ShawCor completed an equity investment in Zedi Inc. (“Zedi”), a Calgary, Alberta based company engaged in end-to-end solutions for production operations management in the oil and gas industry. Zedi has successfully developed and deployed remote field monitoring and related data management solutions for the optimization of oil and gas well production and has recently completed a management led buyout through an Alberta court and shareholder approved plan of arrangement. ShawCor's equity investment in Zedi will consist of a 25% common share interest plus convertible preferred shares for a total investment of approximately $24 million, which will be accounted for using equity accounting. ShawCor and Zedi have also entered into a joint development agreement to work together to develop monitoring and connectivity solutions for pipeline and OCTG applications.

1.1 OUTLOOK

Following the record results produced by ShawCor during the full year 2013, the Company expects revenue and earnings to decrease in 2014 in comparison with the full year of 2013. This expected reduction in activity is the result of the fact that in 2013, revenue from the Company's Asia Pacific region has been enhanced by the execution of the $400 million Inpex Ichthys gas export pipeline project, the largest single project in the Company's history and a project size that will not be replicated in 2014. Further detail on the outlook for the Pipeline and Pipe Services segment by region and the Petrochemical and Industrial segment is set out below:

Pipeline and Pipe Services Segment - North America

In 2014, ShawCor's North American Pipeline segment businesses are expected to generate solid revenue growth over 2013 levels. Pipe coating volumes will benefit from a full year of production at the Socotherm Gulf of Mexico plant where the order backlog for deepwater insulation coating projects exceeds $60 million. North American land pipe coating activity is expected to continue at strong levels, consistent with the levels produced in 2013. In other pipeline segment businesses in North America, the prospects for growth in 2014 are quite compelling. Continued shale oil and gas developments are creating growing market demands for the Flexpipe composite pipe and Guardian OCTG pipe inspection and refurbishment businesses while the Company's introduction of new real-time radiography technology to the USA land pipeline market is enabling market share gains in pipeline girth weld inspection.

Pipeline and Pipe Services Segment - Latin America

The Company believes that revenue from Latin America pipe coating operations has the potential for modest growth in 2014 as a result of increased offshore and large diameter gas transmission pipeline opportunities in Mexico, the launch of insulation coating production at the Socotherm Argentina operation, and an expected increase in revenue in Brazil, where production will commence in the first quarter 2014 for the deepwater insulation coating for flowlines and risers for Petrobras' Sapinhoa field in the Santos basin. These sources of revenue growth will be partially offset by the fact that 2013 Latin America revenue had included approximately $55 million from the Technip project that was executed through the deployment of two portable concrete weight coating plants in Trinidad.

Pipeline and Pipe Services Segment - EMAR

The Company's Europe, Middle East, Africa, Russia ("EMAR") region expects to begin to generate significant revenue growth in 2014. In addition to a continuation of strong project revenues from the pipe coating facilities in Orkanger, Norway and Ras Al Khaimah, UAE, revenue gains are expected in 2014 as the Leith, Scotland facility executes the $30 million Edvard Grieg project and Socotherm ramps up production at the Pozzallo, Sicily pipe coating facility to execute a large deepwater insulation project for a new West African oil field development. The Company is also currently bidding on several very large projects in the EMAR region that could produce revenues in excess of $300 million that could potentially start production by the fourth quarter of 2014 and thus contribute to revenue growth in the 2015 to 2016 period.

Pipeline and Pipe Services Segment - Asia Pacific

In 2013, the Company generated record revenues in the Asia Pacific region as a result of the execution of the Inpex Ichthys gas export pipeline, Chevron Wheatstone export pipeline and flowlines, and Apache Julimar flowlines projects. These projects produced over $510 million in revenue in 2013 and contributed to a level of activity that will decline by at least 50% in 2014. Beyond 2014, the Company remains confident that the Asia Pacific region will continue to provide compelling opportunities, particularly with the emergence of deepwater oil and gas developments that will require the Company's operational capability and unique product technologies.

Petrochemical and Industrial Segment

ShawCor's Petrochemical and Industrial segment businesses are significantly exposed to demand in the North American and European automotive, industrial and nuclear refurbishment markets. During 2013, demand in the global industrial markets served by the Petrochemical and Industrial segment businesses has been stable but the Company has achieved gains in market share with the result that revenue increased by approximately 10% year over year. Similar revenue growth in 2014 should be possible provided market conditions remain healthy. Operating income growth should exceed revenue growth due to the one-time charges of $3.2 million incurred in 2013 for staff reductions and other costs related to the completion of the new facility in Germany for the segment's heat shrink tubular business. This new facility should also contribute to the segment's earnings growth potential as a result of the improved operational efficiencies associated with the consolidation of production activities in one facility and the expected improvements in production throughput.

Order Backlog

The Company's order backlog consists of firm customer orders only and represents the revenue the Company expects to realize on booked orders over the succeeding twelve months. The Company reports the twelve month billable backlog because it provides a leading indicator of significant changes in consolidated revenue. The order backlog at December 31, 2013 decreased to $617 million from $646 million at September 30, 2013 and versus $850 million at the end of 2012. The decline in backlog from the start of 2013 has resulted primarily from the execution during the year of the $400 million Inpex Ichthys gas export pipeline project. Although the order backlog may continue to decline over the next few quarters, the Company's bidding activity remains very high with outstanding bids currently exceeding $900 million dollars. The bidding activity is also very well diversified across all of the Company's regions. If a significant portion of these bids are translated into production orders during 2014, the backlog will increase over the course of the year, which would provide a strong indication for growth in revenue and earnings in 2015 and beyond.

2.0 CONSOLIDATED INFORMATION AND RESULTS FROM OPERATIONS

2.1 Revenue

The following table sets forth revenue by reportable operating segment for the following periods:

(in thousands of Canadian dollars)	Three Months ended			Twelve Months ended	
	December 31, 2013	September 30, 2013	December 31, 2012[(a)]	**December 31, 2013**	December 31, 2012[(a)]
Pipeline and Pipe Services	**$ 370,477**	$ 483,174	$ 406,572	**$ 1,687,768**	$ 1,324,215
Petrochemical and Industrial	**40,409**	43,117	33,413	**162,449**	147,068
Elimination	**(1,127)**	(443)	(486)	**(2,668)**	(2,096)
	$ 409,759	$ 525,848	$ 439,499	**$ 1,847,549**	$ 1,469,187

(a) Revenue for the three-month and twelve-month periods ending December 31, 2012 has been restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

Fourth Quarter 2013 versus Third Quarter 2013

Consolidated revenue decreased 22%, or $116.1 million, from $525.8 million during the third quarter of 2013 to $409.8 million during the fourth quarter of 2013, due to a decrease of $112.7 million in the Pipeline and Pipe Services segment and a decrease of $2.7 million in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue decreased 23%, or $112.7 million, from $483.2 million in the third quarter of 2013 to $370.4 million in the fourth quarter of 2013, due to a decrease of 44 %, or $91.0 million, in Asia Pacific and a decrease of 47%, or $20.0 million, in Latin America. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

In the Petrochemical and Industrial segment, revenue was lower by $2.7 million, or 6%, in the fourth quarter of 2013, compared to the third quarter of 2013, mainly due to a decrease in revenue of $2.7 million, or 10%, in the North America region. See section 3.2 – *Petrochemical and Industrial segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

Fourth Quarter 2013 versus Fourth Quarter 2012

Consolidated revenue decreased by $29.7 million, or 7%, from $439.5 million during the fourth quarter of 2012, to $409.8 million during fourth quarter of 2013, due to a decrease of $36.1 million in the Pipeline and Pipe Services segment, partially offset by an increase of $7.0 million in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue in the fourth quarter of 2013 was $36.1 million, or 9%, lower than in the fourth quarter of 2012, due to decreased activity in Latin America, North America and Asia Pacific, partially offset by higher revenue in EMAR. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

In the Petrochemical and Industrial segment, revenue increased by $7.0 million, or 21%, during the fourth quarter of 2013 compared to the fourth quarter of 2012, due to higher activity levels in all three regions. See section 3.2 – *Petrochemical and Industrial segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

Twelve Months ended December 31, 2013 versus Twelve Months ended December 31, 2012

Consolidated revenue increased by 26%, or $378.4 million, from $1,469.2 million for the twelve month period ended December 31, 2012 to $1,847.6 million for the twelve month period ended December 31, 2013, due to increases of $363.5 million in the Pipeline and Pipe Services segment and $15.4 million in the Petrochemical and Industrial segment.

Revenue for the Pipeline and Pipe Services segment in 2013 was $1,687.8 million, $363.6 million, or 27%, higher than in 2012, primarily due to higher revenue in Asia Pacific and North America, partially offset by lower activity in EMAR and Latin America. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Revenue for the Petrochemical and Industrial segment increased by $15.4 million, or 10%, in 2013 compared to 2012, primarily due to higher activity levels in all regions. See section 3.2 – *Petrochemical and Industrial segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

2.2 Income from Operations

The following table sets forth income from operations ("Operating Income") and operating margin for the following periods:

(in thousands of Canadian dollars)	**Three Months ended**			**Twelve Months ended**	
	December 31, 2013	September 30, 2013	December 31, 2012(a)	**December 31, 2013**	December 31, 2012(a)
Operating Income	**$ 47,236**	$ 104,877	$ 92,962	**$ 319,774**	$ 211,053
Operating Margin(b)	**11.6%**	19.9%	21.2%	**17.3%**	14.4%

(a) Operating Income for the three-month and twelve-month periods endingDecember 31, 2012 has been restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.
(b) Operating margin is defined as Operating Income divided by revenue.

Fourth Quarter 2013 versus Third Quarter 2013

Operating Income decreased by $57.6 million, from $104.9 million during the third quarter of 2013 to $47.2 million during the fourth quarter of 2013. Operating Income was impacted by a decrease in gross profit of $66.4 million and an increase in SG&A expenses of $6.8 million. This was partially offset by decreases in research and development expenses of $0.9 million, amortization of property, plant, equipment and intangible assets of $1.4 million, an increase in net foreign exchange gain of $8.0 million and a gain on sale of land of $5.2 million.

The decrease in gross profit resulted from a 3.9 percentage point decrease in the gross margin from the third quarter of 2013 and the lower revenue, as explained above.The decrease in the gross margin percentage was primarily due to unfavourable product and project mix and lower facility utilization and absorption of overheads, as a result of the reduction in revenue in the Pipeline and Pipe Services segment’s Asia Pacific region.

SG&A expenses increased by $6.8 million, from $96.3 million in the third quarter of 2013 to $103.0 million in the fourth quarter of 2013, primarily due to one-time restructuring costs and amended executive retirement arrangements of $10.7 million, partially offset by lower management incentive compensation expenses of $3.6 million. The one-time restructuring costs and amended executive retirement arrangements were primarily related to reorganizing the organizational structure to more effectively manage the Company’s business and were comprised of charges of $2.0 million for the Pipeline and Pipe Services segment, $3.2 million for the Petrochemical and Industrial segment and $5.5 million for Finance and Corporate.

Fourth Quarter 2013 versus Fourth Quarter 2012

Operating Income decreased by $45.7 million, from $93.0 million in the fourth quarter of 2012 to $47.2 million during the fourth quarter of 2013. Operating Income was impacted by a decrease in gross profit of $18.8 million, increases in SG&A expenses of $20.0 million, research and development expenses of $1.3 million, amortization of property, plant, equipment and intangible assets of $3.9 million, loss on assets held for sale of $1.1 million and a lower gain on sale of land of $6.9 million. This was partially offset by an increase in net foreign exchange gain of $5.5 million and a charge for impairment of property, plant and equipment of $0.8 million recorded in the fourth quarter of 2012.

The decrease in gross profit resulted from lower revenue of $29.7 million and a 1.6 percentage point decrease in gross margin attributable to unfavourable product and project mix and lower facility utilization and absorption of overheads, particularly in the Pipeline and Pipe Services segment's Asia Pacific and Latin America regions.

SG&A expenses increased by $20.0 million compared with the fourth quarter of 2012, primarily as a result of higher SG&A costs of $5.8 million following the acquisition and full consolidation of Socotherm and one-time restructuring costs and amended executive retirement arrangements of $10.7 million, as explained above. In addition, building rental and equipment costs increased by $2.7 million, legal and professional consulting fees were higher by $3.2 million and transportation related expenses increased $1.2 million, partially offset by one-time strategic review expenses of $4.0 million incurred in the fourth quarter of 2012.

Twelve Months ended December 31, 2013 versus Twelve Months ended December 31, 2012

Operating Income increased by $108.7 million from the twelve month period ended December 31, 2012 to $319.8 million for the full year 2013. The increase in Operating Income resulted from a year over year increase in gross profit of $214.4 million, an increase in net foreign exchange gain of $4.8 million and an impairment charge of $4.7 million incurred in 2012. This was partially offset by increases in SG&A expenses of $76.6 million, research and development expenses of $3.4 million, amortization of property, plant, equipment and intangible assets of $24.5 million, a lower gain on sale of land of $6.9 million and a loss on assets held for sale of $3.7 million.

The increase in gross profit resulted from higher revenue of $378.4 million and a 3.6 percentage point improvement in gross margin attributable to favourable project mix and better facility utilization and absorption of overheads, particularly in the Pipeline and Pipe Services segment's Asia Pacific region.

SG&A expenses increased by $76.6 million in 2013 compared to 2012, primarily as a result of higher SG&A costs of $25.3 million following the acquisition and full consolidation of Socotherm, one-time restructuring costs and amended executive retirement arrangements of $10.7 million recorded in the fourth quarter of 2013, as explained above, and $13.6 million incurred to complete the Company's Plan of Arrangement on March 20, 2013 and related expenses associated with amended executive retirement arrangements, recorded in the first quarter of 2013. In addition, personnel related costs and management incentive compensation expenses were higher by $12.6 million, building rental, insurance and equipment costs were higher by $5.4 million, legal and professional consulting fees were higher by $6.9 million and provisions for bad debts, warranty and other items increased by $6.0 million, partially offset by one-time strategic review expenses of $4.0 million incurred in the fourth quarter of 2012.

2.3 Finance Costs, net

The following table sets forth the components of finance costs, net for the following periods:

(in thousands of Canadian dollars)	**Three Months ended**			**Twelve Months ended**	
	December 31, 2013	September 30, 2013	December 31, 2012[a]	**December 31, 2013**	December 31, 2012[a]
Interest income	**$ (452)**	$ –	$ (736)	**$ (1,156)**	$ (2,767)
Interest expense, other	**2,559**	1,252	116	**5,949**	1,407
Interest expense on long-term debt	**3,280**	3,275	–	**10,119**	–
Finance costs (income), net	**$ 5,387**	$ 4,527	$ (620)	**$ 14,912**	$ (1,360)

(a) Finance costs (income) for the three-month and twelve month periods ending December 31, 2012 has been restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

Fourth Quarter 2013 versus Third Quarter 2013

In the fourth quarter of 2013, net finance cost was $5.4 million, compared to a net finance cost of $4.5 million during the third quarter of 2013, as a result of higher other interest expenses on bank loans and overdrafts, partially offset by higher interest income on short-term deposits.

Fourth Quarter 2013 versus Fourth Quarter 2012

In the fourth quarter of 2013, net finance cost was $5.4 million, compared to a net finance income of $0.6 million during the fourth quarter of 2012. The increase in net finance costs was a result of interest on the Senior Notes issued on March 20, 2013, higher other interest expenses on bank loans and overdrafts and lower interest income on short-term deposits.

Twelve Months ended December 31, 2013 versus Twelve Months ended December 31, 2012

In the twelve months ended December 31, 2013, net finance cost was $14.9 million, compared to a net finance income of $1.4 million during the comparable period of 2012, as a result of interest on long term senior notes issued on March 20, 2013, higher other interest expenses on bank loans and overdrafts and lower interest income on short-term deposits.

2.4 Income Taxes

The following table sets forth the income tax expenses for the following periods:

(in thousands of Canadian dollars)	Three Months ended			Twelve Months ended	
	December 31, 2013	September 30, 2013	December 31, 2012[(a)]	**December 31, 2013**	December 31, 2012[(a)]
Income tax expenses	**$ 10,278**	$ 29,386	$ 18,392	**$ 78,402**	$ 43,783

(a) Income tax expenses for the three-month and twelve-month periods ending December 31, 2012 has been restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

Fourth Quarter 2013 versus Third Quarter 2013

The Company recorded an income tax expense of $10.3 million (28% of income before income taxes) in the fourth quarter of 2013, compared to an income tax expense of $29.4 million (29% of income before income taxes) in the third quarter of 2013. The effective tax rate in the fourth quarter of 2013 was higher than the Company's expected effective income tax rate of 27%, primarily due to higher losses on investment in joint ventures, which reduced income before income taxes. The Company’s tax rate in the third quarter was slightly higher than expectations primarily due to the incurrence of tax losses in jurisdictions where the Company was unable to record a tax benefit in the quarter.

Fourth Quarter 2013 versus Fourth Quarter 2012

The Company recorded an income tax expense of $10.3 million (28% of income before income taxes) in the fourth quarter of 2013, compared to an income tax expense of $18.4 million (19% of income before income taxes) in the fourth quarter of 2012. The effective tax rate in the fourth quarter of 2013 was higher than the Company's expected effective income tax rate of 27%, primarily due to higher losses on investment in joint ventures, which reduced income before income taxes. The Company’s tax rate in the fourth quarter of 2012 was lower than the expected rate of 27% primarily due to the fact that a significant portion of the Company’s income was earned in the Trinidad Free Zone, Asia Pacific and the Middle East and other jurisdictions where the expected tax rate is 25% or less.

Twelve Months ended December 31, 2013 versus Twelve Months ended December 31, 2012

The Company recorded an income tax expense of $78.4 million (26% of income before income taxes) during the twelve-month period ended December 31, 2013, compared to an income tax expense of $43.8 million (20% of income before income taxes) during the twelve-month period ended December 31, 2012. The effective income tax rate for the twelve months ending December 31, 2013 is lower than the expected income tax rate of 27% due to income being earned in jurisdictions were the tax rate is 25% or less, with this benefit partially offset by the incurrence of tax losses in jurisdictions where the Company was unable to record a tax benefit during the year. In 2012, the low tax rate was due to a higher proportion of the Company’s taxable income having been earned in the Trinidad Free Zone, Asia Pacific, the Middle East and other jurisdictions where the tax rate is 25% or less.

2.5 Foreign Exchange Impact

The following table sets forth the significant currencies in which the Company operates and the average foreign exchange rates for these currencies versus Canadian dollars, for the following periods:

	Three Months ended December 31,		**Twelve Months ended December 31,**	
	2013	2012	**2013**	2012
U.S. dollar	**1.0515**	0.9919	**1.0324**	1.0036
Euro	**1.4362**	1.2900	**1.3734**	1.2921
British Pounds	**1.7090**	1.5993	**1.6204**	1.5888

The following table sets forth the impact on revenue, income from operations and net income, compared with the prior quarter and the prior year period, as a result of foreign exchange fluctuations on the translation of foreign currency operations:

(in thousands of Canadian dollars)	Q4-2013 Versus Q3-2013	Q4-2013 versus Q4-2012	Q4-2013 YTD versus Q4-2012 YTD
Revenue	$ 5,435	$ 17,220	$ 41,839
Income from operations	629	3,218	13,229
Net income	$ 998	$ 4,482	$ 11,963

In addition to the translation impact noted above, the Company recorded a foreign exchange gain of $6.3 million in the fourth quarter of 2013, compared to a gain of $0.8 million for the comparable period in the prior year, as a result of the impact of changes in foreign exchange rates on monetary assets and liabilities and short term foreign currency intercompany loans within the group, net of hedging activities.

2.6 Net Income (attributable to shareholders of the Company)

Fourth Quarter 2013 versus Third Quarter 2013

Net income decreased by $50.6 million, from $73.0 million during the third quarter of 2013 to $22.4 million during the fourth quarter of 2013, mainly due to the lower Operating Income in the fourth quarter of 2013, as explained in section 2.2 above and a higher loss on investment in joint ventures of $6.8 million. This was partially offset by lower income tax expense of $19.1 million.

Fourth Quarter 2013 versus Fourth Quarter 2012

Net income decreased by $57.9 million, from $80.3 million during the fourth quarter of 2012 to $22.4 million during the fourth quarter of 2013, mainly due to lower Operating Income in the fourth quarter of 2013, as explained in section 2.2 above, income from investment in associate recorded in the fourth quarter of 2012 of $6.0 million, a higher net loss on investment in joint ventures of $4.2 million and higher net finance costs of $$6.0 million. This was partially offset by a decrease in income tax expenses of $8.1 million.

Twelve Months ended December 31, 2013 versus Twelve Months ended December 31, 2012

Net income increased by $41.6 million, from $178.3 million during the twelve-month period ended December 31, 2012 to $219.9 million during the twelve-month period ended December 31, 2013, mainly due to higher Operating Income of $108.7 million in 2013, as explained in section 2.2 above. This was partially offset by increases in net finance costs of $16.3 million, income tax expense of $34.6 million and income on investment in associate of $8.7 million recorded in 2012.

3.0 SEGMENT INFORMATION

3.1 Pipeline and Pipe Services segment

The following table sets forth, by geographic location, the Revenue, Operating Income and operating margin for the Pipeline and Pipe Services segment for the following periods:

(in thousands of Canadian dollars, except Operating Margin)	Three Months ended			Twelve Months ended	
	December 31, 2013	September 30, 2013	December 31, 2012[a]	**December 31, 2013**	December 31, 2012[a]
North America	**$ 182,549**	$ 181,494	$ 141,105	**$ 671,317**	$ 604,106
Latin America	**22,132**	42,105	69,335	**161,627**	164,649
EMAR	**51,418**	54,180	44,667	**191,814**	221,471
Asia Pacific	**114,378**	205,395	151,465	**663,010**	333,989
Total Revenue	**$ 370,477**	$ 483,174	$ 406,572	**$ 1,687,768**	$ 1,324,215
Operating Income	**$ 58,151**	$ 111,800	$ 101,368	**$ 365,122**	$ 236,689
Operating Margin	**15.7%**	23.1%	24.9%	**21.6%**	17.9%

(a) Restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

Fourth Quarter 2013 versus Third Quarter 2013

Fourth quarter revenue decreased by $112.7 million to $370.5 million, from $483.2 million in the third quarter of 2013. This was driven by decreased activity levels in Asia Pacific, Latin America and EMAR, partially offset by North America:

- In North America, revenue increased by $1.0 million, or 1%, as a result of increased activity from Socotherm's Gulf of Mexico operation, higher pipe weld inspection service revenue in the USA and increased tubular management service revenue in Canada, partially offset by lower activity levels in large diameter pipe coating in both Canada and the USA.

- In Latin America, revenue decreased by $20.0 million, or 47%, primarily as a result of decreased activity from the Technip project in Trinidad and decreased volumes in Socotherm Argentina.

- EMAR revenue decreased by $2.8 million, or 5%, primarily due to decreased activity at the Socotherm pipe coating facility in Adria, Italy, partially offset by higher activity at Leith, Scotland and in Orkanger, Norway.

- In Asia Pacific, revenue decreased $91.0 million, or 44%, mainly due to decreased volumes on the Inpex Ichthys and Apache Julimar projects in Kabil, Indonesia and the Chevron Wheatstone flowlines project in Kuantan, Malaysia.

In the fourth quarter of 2013, Operating Income was $58.2 million compared to $111.8 million in the third quarter of 2013, a decrease of $53.6 million, or 48%. The decrease in Operating Income was due to a reduction in gross profit of $64.0 million due to the decrease in revenue of $112.7 million as explained above, and a 3.7 percentage point decrease in the gross margin due to unfavourable product and project mix and lower facilities' utilization and the absorption of overheads, particularly at the Company's two pipe coating facilities in Asia Pacific. In addition to the decrease in gross profit, SG&A expenses were also higher as explained in section 2.2 above.

Fourth Quarter 2013 versus Fourth Quarter 2012

Revenue was $370.5 million in the fourth quarter of 2013, a decrease of $36.1 million, or 9%, from $406.6 million in the comparable period of 2012. Revenues in Asia Pacific and Latin America were lower, partially offset by increased activity in North America and EMAR:

- In North America, revenue increased by $41.4 million, or 29%, due to the acquisition of Socotherm Gulf of Mexico, increased tubular management services in Canada, higher flexible composite pipe volumes in both Canada and the USA and increased pipe weld inspection service revenue in the USA.

- Latin America revenue decreased by $47.2 million, or 68%, due to lower activity levels in Mexico and on the Technip project in Trinidad.

- In EMAR, revenue increased by $6.8 million, or 15%, primarily due to higher activity levels at the Company's pipe coating facilities in Orkanger, Norway and Socotherm, Italy, partially offset by reduced volumes from Ras Al Khaimah ("RAK"), UAE and Leith, Scotland.

- Asia Pacific revenue decreased by $37.1 million, or 25%, due to the lower volumes associated with the Chevron Wheatstone project in Kabil, Indonesia and Kuantan, Malaysia.

In the fourth quarter of 2013, Operating Income was $58.2 million compared to $101.4 million in the fourth quarter of 2012, a decrease of $43.2 million, or 43%, due to a reduction in gross profit of $19.7 million as a result of the decrease in revenue of $36.1 million, as explained above, and a 1.2 percentage point decrease in gross margin due to unfavourable project mix, lower facilities' utilization and the absorption of overheads, particularly at the Company's two pipe coating facilities in Asia Pacific. In addition to the decrease in gross profit, SG&A expenses and amortization of property, plant, equipment and intangibles were also higher combined with a lower gain on sale of land, as explained in section 2.2 above.

Twelve Months ended December 31, 2013 versus Twelve Months ended December 31, 2012

For the twelve month period ended December 31, 2013, revenue in the Pipeline and Pipe Services segment was $1,687.8 million, an increase of $363.6 million, or 28%, from $1,324.2 million in the comparable period in the prior year. Activity levels in Asia Pacific and North America were higher in 2013 compared to 2012, partially offset by a decrease in EMAR and Latin America revenue:

- In North America, revenue increased by $67.2 million, or 11%, primarily due to increased flexible composite pipe revenue in the USA, the acquisition of Socotherm Gulf of Mexico, increased pipe weld inspection service revenue in the USA and higher large diameter project revenues in Canada, partially offset by lower pipe coating activity in the USA.

- In Latin America, revenue was lower by $3.0 million, or 2%, mainly due to lower activity levels in Mexico and Brazil, partially offset by the full year inclusion of Socotherm Argentina.

- In EMAR, revenue decreased by $29.7 million, or 13%, primarily due to decreased pipe coating activity levels in RAK and Leith, Scotland, partially offset by increased volumes at the Orkanger, Norway facility and the full year inclusion of Socotherm, Italy.

- Revenue in Asia Pacific increased by $329.0 million, or 99%, mainly due to execution of the Inpex Ichthys gas export pipeline and the Chevron Wheatstone projects in both Kuantan, Malaysia and Kabil, Indonesia.

Operating Income for the twelve month period ended December 31, 2013 was $365.1 million compared to $236.7 million for the twelve month period ended December 31, 2012, an increase of $128.4 million, or 54%. The increase in Operating Income was due to an increase in gross profit of $203.9 million due to the increase in revenue of $363.6 million, as explained above, and a 3.6 percentage point increase in gross margin due to favourable project mix, better facilities utilization and the absorption of overheads, particularly at the Company's two pipe coating facilities in Asia Pacific. The increase in gross profit was partially offset by higher SG&A expenses and amortization of property, plant, equipment and intangibles as explained in section 2.2 above.

3.2 Petrochemical and Industrial segment

The following table sets forth, by geographic location, the Revenue, Operating Income and Operating Margin for the Petrochemical and Industrial segment for the following periods:

(in thousands of Canadian dollars)	Three Months ended			Twelve Months ended	
	December 31, 2013	September 30, 2013	December 31, 2012[(a)]	**December 31, 2013**	December 31, 2012[(a)]
North America	**$ 25,230**	$ 27,927	$ 20,818	**$ 101,117**	$ 92,551
EMAR	**13,622**	13,742	11,434	**55,457**	50,496
Asia Pacific	**1,557**	1,448	1,161	**5,875**	4,021
Total Revenue	**$ 40,409**	$ 43,117	$ 33,413	**$ 162,449**	$ 147,06
Operating Income	**$ 2,613**	$ 7,890	$ 4,510	**$ 20,576**	$ 19,886
Operating Margin	**6.5%**	18.3%	13.5%	**12.7%**	13.5%

(a) Restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

Fourth Quarter 2013 versus Third Quarter 2013

Revenue decreased in the fourth quarter of 2013 by $2.7 million, or 6%, to $40.4 million, compared to the third quarter of 2013 due to record nuclear cable product shipments to North American electrical utilities recorded in the third quarter of 2013.

Operating Income of $2.6 million in the fourth quarter of 2013 was $5.3 million, or 67%, lower than in the third quarter of 2013. The decrease in Operating Income was primarily due to lower gross profit of $2.2 million as a result of lower revenue of $2.7 million, as explained above, and a 3.1 percentage point decrease in gross margin. In addition, SG&A expenses were higher primarily due to one-time restructuring costs of $3.2 million at the DSG Canusa facilities in Europe, as explained in section 2.2 above.

Fourth Quarter 2013 versus Fourth Quarter 2012

In the fourth quarter of 2013, revenue totaled $40.4 million compared to $33.4 million in the fourth quarter of 2012, an increase of $7.0 million, or 21%. The increase was driven by higher wire and cable volumes in North America and higher heat shrink tubing product volumes in the EMAR market.

Operating Income in the fourth quarter of 2013 was $2.6 million compared to $4.5 million in the fourth quarter of 2012, a decrease of $1.9 million, or 42%. Despite higher gross profit of $2.2 million as a result of an increase in revenue of $7.0 million, as explained above, and a 0.4 percentage point increase in gross margin, primarily due to product mix, operating income declined as a result of higher SG&A expenses primarily due to one-time restructuring costs of $3.2 million at the DSG Canusa facilities in Europe, as explained in section 2.2 above.

Twelve Months ended December 31, 2013 versus Twelve Months ended December 31, 2012

Revenue increased in the twelve month period ended December 31, 2013 by $15.4 million, or 11%, to $162.4 million, compared to the comparable period in 2012, due to increased shipments of wire and cable products to the North American electrical utilities, nuclear and oil sands markets combined with increased heat shrink tubing product shipments in all three regions.

Operating Income for the twelve month period ended December 31, 2013 was $20.6 million compared to $19.9 million for the twelve month period ended December 31, 2012, an increase of $0.7 million, or 3%. The increase was primarily due to higher revenue and gross profit, partially offset by higher SG&A costs resulting from the one-time restructuring costs of $3.2 million at the DSG Canusa facilities in Europe.

3.3 Financial and Corporate

Financial and corporate costs include corporate expenses not allocated to the operating segments and other non-operating items, including foreign exchange gains and losses on foreign currency denominated cash and working capital balances. The corporate division of the Company only earns revenue that is considered incidental to the activities of the Company. As a result, it does not meet the definition of a reportable operating segment as defined under IFRS.

The following table sets forth the Company's unallocated financial and corporate expenses, before foreign exchange gains and losses, for the following periods:

(in thousands of Canadian dollars)	Three Months ended			Twelve Months ended	
	December 31, 2013	September 30, 2012	December 31, 2012[(a)]	**December 31, 2013**	December 31, 2012[(a)]
Financial and Corporate Expenses	**$ (19,844)**	$ (13,100)	$ (13,742)	**$ (70,860)**	$ (45,631)

(a) Restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

Fourth Quarter 2013 versusThirdQuarter 2013

Financial and corporate costs increased by $6.7 million from $13.1million during the third quarter of 2013, to $19.8 million during the fourth quarter of 2013, primarily due to one-time restructuring costs and amended executive retirement arrangements of $5.5 million, as explained in section 2.2 above, and increased information technology expenses.

Fourth Quarter 2013 versus Fourth Quarter 2012

Financial and corporate costs increased by $6.1 million from the fourth quarter of 2012 to $19.8 million in the fourth quarter of 2013, due to one-time restructuring costs and amended executive retirement arrangements of $5.5 million, as explained in section 2.2 above, increased information technology, professional consulting and and other expenses of $4.4 million. This was partially offset by one-time strategic review expenses of $4.0 million incurred in the fourth quarter of 2012.

Twelve Months ended December 31, 2013 versus Twelve Months ended December 31, 2012

Financial and corporate costs increased by $25.2 million from the twelve month period ended December 31, 2012 to $70.9 million for the twelve month period ended December 31, 2013. The increase was due to one-time costs of restructuring and amended executive retirement arrangements recorded in the fourth quarter of 2013 of $5.5 million, $13.6 million incurred to complete the Company's Plan of Arrangement on March 20, 2013 and related expenses associated with amended executive retirement arrangements and due to increases of $4.7 million in personnel and management incentive compensation costs and $5.9 million in legal, professional consulting and research and development expenses.

4.0 FORWARD-LOOKING INFORMATION

This document includes certain statements that reflect management's expectations and objectives for the Company's future performance, opportunities and growth, which statements constitute "forward-looking information" and "forward looking statements" (collectively "forward looking information") under applicable securities laws. Such statements, other than statements of historical fact, are predictive in nature or depend on future events or conditions. Forward looking information involves estimates, assumptions, judgments and uncertainties. These statements may be identified by the use of forward-looking terminology such as ″ may″ , ″will″, ″should″, ″anticipate″, ″expect″, ″believe″, ″predict″, ″estimate″, ″continue″, ″intend″, ″plan″ and variations of these words or other similar expressions. Specifically, this document includes forward looking information in the Outlook section and elsewhere in respect of, among other things, the completion of the sale of the Company's joint venture interest in Socotherm Brasil and the proceeds therefrom, the timing of major project activity, the sufficiency of resources, capacity and capital to meet market demand, to meet contractual obligations and to execute the Company's development and growth strategy, the impact of the existing order backlog and other factors on the Company's revenue and Operating Income in 2014 and in the longer term, the impact of global economic activity on the demand for the Company's products, the impact of changing energy demand, supply and prices, the impact and likelihood of changes in competitive conditions in the markets in which the Company participates, the impact of changing laws for environmental compliance on the Company's capital and operating costs, and the adequacy of the Company's existing accruals in respect thereof and in respect of litigation matters and other claims generally, the level of payments under the Company's performance bonds, the outlook for revenue and Operating Income and the expected development in the Company's order backlog.

Forward looking information involves known and unknown risks and uncertainties that could cause actual results to differ materially from those predicted by the forward-looking information. We caution readers not to place undue reliance on forward looking information as a number of factors could cause actual events, results and prospects to differ materially from those expressed in or implied by the forward looking information. Significant risks facing the Company include, but are not limited to: changes in global or regional economic activity and changes in energy supply and demand, which impact on the level of drilling activity and pipeline construction; exposure to product and other liability claims; shortages of or significant increases in the prices of raw materials used by the Company; compliance with environmental, trade and other laws; political, economic and other risks arising from the Company's international operations; fluctuations in foreign exchange rates, as well as other risks and uncertainties, as more fully described under the heading "Risks and Uncertainties" in the Company's annual MD&A.

These statements of forward looking information are based on assumptions, estimates and analysis made by management in light of its experience and perception of trends, current conditions and expected developments as well as other factors believed to be reasonable and relevant in the circumstances. These assumptions include those in respect of continued global economic recovery, increased investment in global energy infrastructure, the Company's ability to execute projects under contract, the continued supply of and stable pricing for commodities used by the Company, the availability of personnel resources sufficient for the Company to operate its businesses, the maintenance of operations in major oil and gas producing regions and the ability of the Company to satisfy all covenants under its credit facilities and the senior notes . The Company believes that the expectations reflected in the forward looking information are based on reasonable assumptions in light of currently available information. However, should one or more risks materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward looking information included in this document and the Company can give no assurance that such expectations will be achieved.

When considering the forward looking information in making decisions with respect to the Company, readers should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not assume the obligation to revise or update forward looking information after the date of this document or to revise it to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

To the extent any forward looking information in this document constitutes future oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future oriented financial information and financial outlooks, as with forward looking information generally, are based on the assumptions and subject to the risks noted above.

ShawCor will be hosting a Shareholder and Analyst Conference Call and Webcast on Friday February 28th, 2013 at 10:00AM EST, which will discuss the Company's fourth quarter financial results. The Conference call participant dial-in number(s) are: Operator assisted toll-free dial-in number: (888) 231-8191;local dial-in number: (647) 427-7450.

Additional information relating to the Company, including its Annual Information Form, is available on SEDAR at www.sedar.com.

Please visit our website at www.shawcor.com for further details.

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ShawCor Ltd.
Consolidated Balance Sheets
(Unaudited)

(in thousands of Canadian dollars)	**December 31, 2013**	December 31, 2012 Restated (Note 5)	January 1, 2012 Restated (Note 5)
ASSETS			
Current Assets			
Cash and cash equivalents	**$ 79,395**	$ 284,981	$ 56,537
Short-term investments	**6,618**	77,950	10,545
Loan receivable	**1,780**	1,565	2,047
Accounts receivable	**363,984**	376,788	279,134
Income taxes receivable	**9,919**	11,837	15,981
Inventories	**180,876**	188,347	146,416
Prepaid expenses	**19,176**	41,370	24,453
Derivative financial instruments	**624**	3,988	270
	662,372	986,826	535,383
Assets held for sale	**56,186**	27,141	–
	718,558	1,013,967	535,383
Non-current Assets			
Loans receivable	**7,462**	20,903	12,622
Property, plant and equipment	**413,287**	371,584	298,721
Intangible assets	**130,216**	101,455	86,362
Investments in joint ventures	**17,276**	77,342	30
Investments in associate	**–**	–	30,095
Deferred income taxes	**48,480**	36,147	34,747
Other assets	**17,830**	11,179	10,115
Goodwill	**298,819**	256,296	220,334
	933,370	874,906	693,026
	$ 1,651,928	$ 1,888,873	$ 1,228,409
LIABILITIES AND EQUITY			
Current Liabilities			
Bank indebtedness	**$ 5,290**	$ 5,751	$ 12,281
Accounts payable and accrued liabilities	**230,974**	206,051	154,932
Provisions	**49,762**	48,807	16,335
Income taxes payable	**61,911**	35,736	36,193
Derivative financial instruments	**1,632**	1,275	419
Deferred revenue	**84,396**	377,091	27,446
Obligations under finance lease	**487**	1,927	268
	434,452	676,638	247,874
Liabilities directly associated with the assets classified as held for sale	**16,617**	11,917	–
	451,069	688,555	247,874
Non-current Liabilities			
Loans payable	**126**	2,664	–
Long-term debt	**374,381**	–	–
Obligations under finance lease	**13,827**	12,728	–
Provisions	**59,409**	40,581	40,523
Derivative financial instruments	**–**	–	2,499
Deferred revenue	**–**	64,392	–
Employee future benefits	**25,678**	29,807	26,315
Deferred income taxes	**68,857**	61,479	56,984
	542,278	211,651	126,321
	993,347	900,206	374,195
Equity			
Share capital	**303,327**	221,687	218,381
Contributed surplus	**13,093**	17,525	16,391
Retained earnings	**373,574**	799,741	664,475
Non-controlling interests	**2,419**	(331)	–
Accumulated other comprehensive loss	**(33,832)**	(49,955)	(45,033)
	658,581	988,667	854,214
	$ 1,651,928	$ 1,888,873	$ 1,228,409

ShawCor Ltd.
Consolidated Statements of Income
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012 (Restated)	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012 (Restated)
Revenue				
Sale of products	**$ 141,819**	$ 87,792	**$ 451,833**	$ 377,192
Rendering of services	**267,940**	351,707	**1,395,716**	1,091,995
	409,759	439,499	**1,847,549**	1,469,187
Cost of Goods Sold and Services Rendered	**$ 247,114**	$ 258,016	**$ 1,058,946**	$ 895,004
Gross Profit	**$ 162,645**	$ 181,483	**$ 788,603**	$ 574,183
Selling, general and administrative expenses	**103,015**	83,008	**382,755**	306,108
Research and development expenses	**3,390**	2,127	**15,687**	12,242
Foreign exchange gains	**(6,316)**	(826)	**(4,936)**	(109)
Amortization of property, plant and equipment	**16,627**	13,514	**66,484**	44,985
Amortization of intangible assets	**2,727**	1,967	**10,312**	7,319
Loss on assets held for sale	**1,122**	–	**3,683**	
Gain on sale of land and other items	**(5,156)**	(12,101)	**(5,156)**	(12,101)
Impairment of property, plant and equipment	**–**	832	**–**	4,686
Income from Operations	**$ 47,236**	$ 92,962	**$ 319,774**	$ 211,053
(Loss) income on investments in joint ventures	**(5,417)**	(1,251)	**(3,874)**	618
Finance (costs) income, net	**(5,387)**	620	**(14,912)**	1,360
Income on investments in associate	**–**	5,968	**–**	8,694
Accounting gain on acquisition	**–**	413	**–**	413
Income before Income Taxes	**$ 36,432**	98,712	**$ 300,988**	222,138
Income taxes	**10,278**	18,392	**$ 78,402**	43,783
Net Income for the Period	**$ 26,154**	$ 80,320	**$ 222,586**	$ 178,355
Net Income Attributable to:				
Shareholders of the Company	**$ 22,397**	80,275	**$ 219,862**	$ 178,310
Non-controlling interests	**3,757**	45	**2,724**	45
Net Income for the Period	**$ 26,154**	$ 80,320	**$ 222,586**	$ 178,355
Earnings per Share				
Basic	**$ 0.37**	$ 1.14	**$ 3.55**	$ 2.53
Diluted	**$ 0.37**	$ 1.13	**$ 3.51**	$ 2.50
Weighted Average Number of Shares Outstanding (000’s)				
Basic	**59,973**	70,209	**61,972**	70,413
Diluted	**60,347**	70,876	**62,646**	71,278

ShawCor Ltd.
Consolidated Statements of Comprehensive Income
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012 (Restated)	**2013**	2012 (Restated)
Net Income for the Period	**$ 26,154**	$ 80,320	**$ 222,586**	$ 178,355
Other Comprehensive Income (loss)				
Other Comprehensive Income (Loss) to be reclassified to Net Income in subsequent periods:				
Exchange differences on translation of foreign operations	**6,443**	17,870	**10,821**	(357)
Loss on cash flow hedge	**–**	–	**(6,880)**	–
Other comprehensive income (loss) attributable to investments in associate	**–**	136	**–**	(469)
Net Other Comprehensive Income (Loss) to be reclassified to net income in subsequent periods	**6,443**	18,006	**3,941**	(826)
Other Comprehensive Income (Loss) not to be reclassified to net income in subsequent periods:				
Actuarial gain (loss) on defined employee future benefit plans	**16,311**	(1,311)	**16,311**	(5,246)
Income tax (expense) recovery	**(4,103)**	339	**(4,103)**	1,353
Net Other Comprehensive income (Loss) not to be reclassified to net income in subsequent periods	**12,208**	(972)	**12,208**	(3,893)
Other Comprehensive Income (Loss), Net of Income Tax	**18,651**	17,034	**16,149**	(4,719)
Total Comprehensive Income For the Period,	**$ 44,805**	$ 97,354	**$ 238,735**	$ 173,636
Comprehensive Income Attributable to:				
Shareholders of the Company	**$ 41,388**	$ 97,106	**$ 235,985**	$ 173,388
Non-controlling interests	**3,417**	248	**2,750**	248
Total Comprehensive Income for the Period	**$ 44,805**	$ 97,354	**$ 238,735**	$ 173,636

ShawCor Ltd.

Consolidated Statements of Changes in Equity

(Unaudited)

(in thousands of Canadian dollars) (Restated)	Share Capital	Contributed Surplus	Retained Earnings	Non-Controlling Interests	Accumulated Other Comprehensive Loss	Total Equity
Balance - December 31, 2011	**$ 218,381**	**$ 16,391**	**$ 664,475**	**–**	**$ (45,033)**	**$ 854,214**
Net income	–	–	178,310	45	–	178,355
Issued on exercise of stock options	3,988	–	–	–	–	3,988
Compensation cost on exercised options	1,415	(1,415)	–	–	–	–
Compensation cost on exercised RSUs	79	(79)	–	–	–	–
Stock-based compensation expense	–	2,628	–	–	–	2,628
Purchase – Normal Course Issuer Bid	(2,176)	–	–	–	–	(2,176)
Excess of purchase price over stated value of shares	–	–	(16,712)	–	–	(16,712)
Acquisition of non-controlling interests	–	–	–	(579)	–	(579)
Other comprehensive income (loss)	–	–	–	203	(4,922)	(4,719)
Dividends paid to shareholders	–	–	(26,332)	–	–	(26,332)
Balance - December 31, 2012	**$ 221,687**	**$ 17,525**	**$ 799,741**	**$ (331)**	**$ (49,955)**	**$ 988,667**
Net income	–	–	219,862	2,724	–	222,586
Issued on exercise of stock options	19,599	–	–	–	–	19,599
Compensation cost on exercised options	7,579	(7,579)	–	–	–	–
Compensation cost on exercised RSUs	24	(24)	–	–	–	–
Stock-based compensation expense	–	3,171	–	–	–	3,171
Cancellation of Class B shares	54,438	–	(553,215)	–	–	(498,777)
Shares cancellation costs (net income tax benefit of $1.5 million)	–	–	(4,312)	–	–	(4,312)
Other comprehensive income	–	–		26	16,123	16,149
Dividends paid to shareholders	–	–	(88,502)	–	–	(88,502)
Balance - December 31, 2013	**$ 303,327**	**$ 13,093**	**$ 373,574**	**$ 2,419**	**$ (33,832)**	**$ 658,581**

ShawCor Ltd.
Consolidated Statements of Cash Flows
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2013		2012 (Restated)	**2013**		2012 (Restated)
Operating Activities						
Net income for the period	**26,154**	$	80,320	**$ 222,586**	$	178,355
Add (deduct) items not affecting cash						
Amortization of property, plant and equipment	**16,627**		13,514	**66,484**		44,985
Amortization of intangible assets	**2,727**		1,967	**10,312**		7,319
Amortization of long-term prepaid expenses	**108**		200	**807**		900
Decommissioning obligations expense (recovery)	**107**		(1,538)	**395**		(472)
Other provision expenses	**4,292**		7,344	**22,136**		2,227
Stock-based and incentive-based compensation	**6,081**		4,681	**23,594**		15,297
Deferred income taxes	**(6,257)**		1,941	**(14,959)**		(414)
(Gain) loss on disposal of property, plant and equipment	**–**		(22)	**538**		(416)
Gain on sale of land and other items	**(5,156)**		(12,101)	**(5,156)**		(12,101)
Unrealized (gain) loss on derivative financial instruments	**(918)**		679	**3,070**		651
Income on investments in associate	**–**		(5,968)	**–**		(8,694)
Loss (income) on investments in joint ventures	**5,417**		1,251	**3,874**		(618)
Loss on assets held for sale	**1,122**		–	**3,683**		–
Accounting gain on acquisition	**–**		(9,445)	**–**		(9,445)
Impairment of property, plant and equipment	**–**		832	**–**		4,686
Other	**5**		(3,085)	**825**		(3,351)
Settlement of decommissioning liabilities	**(150)**		(249)	**(817)**		(1,580)
Settlement of other provisions	**(3,493)**		(6,810)	**(19,449)**		(7,292)
(Decrease) increase in deferred revenue non-current	**–**		(86,088)	**(64,392)**		64,392
Net change in employee future benefits	**(16,542)**		514	**(20,994)**		1,168
Change in non-cash working capital and foreign exchange	**(5,173)**		116,175	**(200,273)**		254,915
Cash Provided by Operating Activities	**24,951**	$	104,112	**$ 32,264**	$	530,512
Investing Activities						
Increase in loan receivable	**(4,658)**		(2,784)	**(2,630)**		(62,085)
Decrease (increase) in short term investments	**1,730**		133,937	**71,332**		(67,405)
Purchases of property, plant and equipment	**(19,258)**		(27,194)	**(76,729)**		(73,505)
Proceeds on disposal of property, plant and equipment	**8,094**		12,875	**8,539**		14,187
Purchases of intangible assets	**–**		(10)	**(522)**		(62)
Investment in joint venture	**–**		–	**(7,398)**		–
Investment in associate	**–**		(2,824)	**–**		(2,824)
Business acquisition	**–**		(54,886)	**(30,163)**		(57,091)
Increase in other assets	**(183)**		(956)	**(495)**		(956)
Cash (Used in) Provided by Investing Activities	**(14,275)**	$	58,158	**$ (38,066)**	$	(249,741)
Financing Activities						
(Decrease) increase in bank indebtedness	**(36,386)**		5,630	**(461)**		(6,597)
Decrease in loans payable	**(17)**		(11,184)	**(772)**		(4,581)
Payment of finance lease obligations	**–**		(266)	**(900)**		(465)
Proceeds from long-term debt	**–**		–	**356,280**		–
Proceeds from interest rate swap	**–**		–	**2,111**		–
Issuance of shares	**729**		878	**19,599**		3,988
Repurchase of shares	**–**		–	**(503,089)**		(18,888)
Dividend paid to shareholders	**(7,497)**		(6,905)	**(88,502)**		(26,332)
Cash Used in Financing Activities	**(43,171)**	$	(11,847)	**$ (215,734)**	$	(52,875)
Effect of Foreign Exchange on Cash and Cash Equivalents	**8,775**	$	1,065	**$ 15,950**	$	548
Net (Decrease) Increase in Cash and Cash Equivalents	**(23,720)**		151,488	**(205,586)**		228,444
Cash and Cash Equivalents - Beginning of Period	**103,115**	$	133,493	**$ 284,981**	$	56,537
Cash and Cash Equivalents - End of Period	**79,395**		284,981	**79,395**		284,981