
INVESTOR RELATIONS PRESENTATION INTERIM FINANCIAL REPORT HY1 2015

Vienna, 31 August 2015

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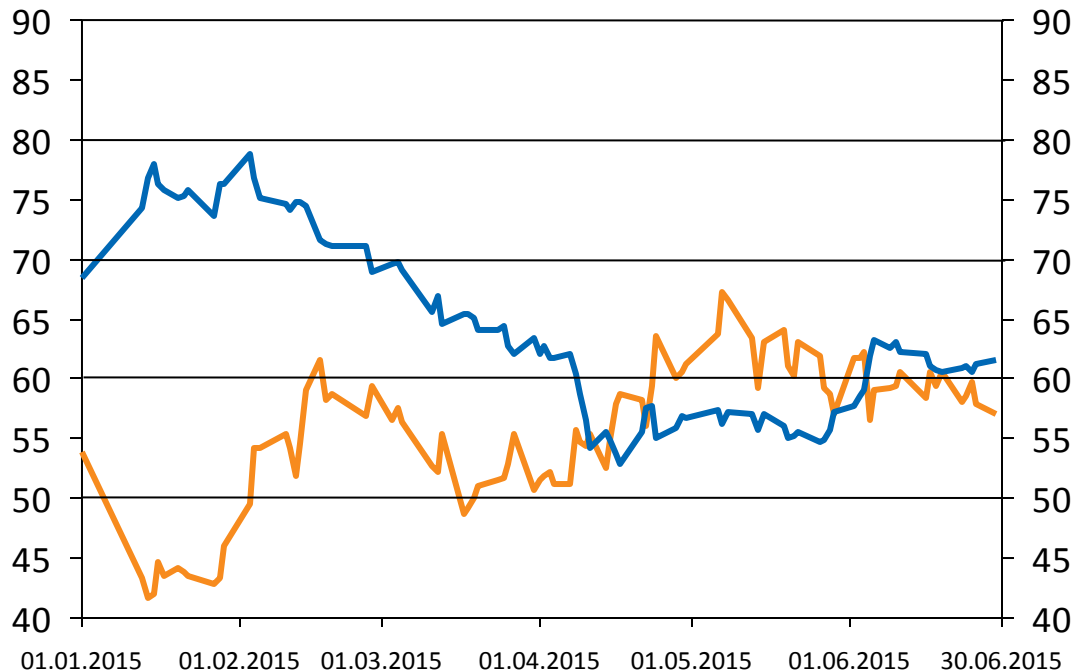
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GLOBAL ECONOMIC ENVIRONMENT HY1 2015

Rouble and Oil Price Development



— URALS price, USD/barrel (left scale)

— RUBL/EUR (right scale)

Sources: Bank of Russia, Ycharts

- After weak performance beginning of 2015, oil price ameliorated and stabilized on a still low level in 2nd quarter
- Oil price development took pressure from Rouble until mid of May, when devaluation restarted rising (In total Rouble revaluation in H1 2015: +10%)
- Rouble devaluation vs. EUR amounted to 33.4% yoy on average in H1 2015

KEY GROUP FIGURES HY1 2015 AT A GLANCE

EUR thousand	HY1 2015	HY1 2014 (restated)	Change
Sales revenues	168,507	203,113	(17.0)%
Gross profit	28,555	42,212	(32.4)%
EBIT	19,261	32,295	(40.4)%
EBIT margin	11.4%	15.9%	
EBITDA	41,502	54,913	(24.4)%
EBITDA margin	24.6%	27.0%	
Group result	12,844	24,738	(48.1)%
Earnings per share (EUR)	0.26	0.51	
Balance sheet total ¹⁾	402,848	371,324	8.5%
Equity ¹⁾	211,298	171,161	23.4%
Equity ratio ¹⁾	52.5%	46.1%	
Cash flow from operating activities	45,338	26,444	71.4%
Capital expenditure	44,062	42,071	4.7%
Cash flow from financing activities	(2,645)	13,659	(119.4)%
Cash and cash equivalents	57,434	40,631	41.4%
Employees (average)	3,334	2,873	16.0%

- Due to the correction of an error in the prior period financial statements some figures for HY1 2014 had to be restated.
- This presentation was produced using restated figures only.
- For details on the correction please refer to the audited Half Year Report 2015 available at www.catoilag.com.

1) As at June 30 2015 and December 31 2014 respectively

HIGHLIGHTS HY1 2015 AT A GLANCE

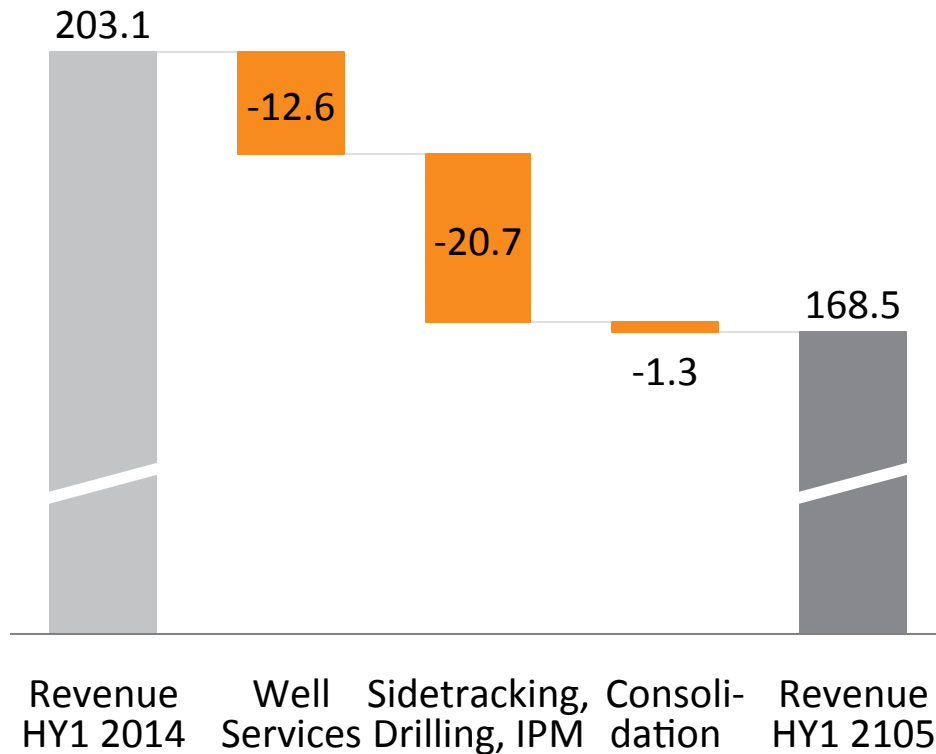
- Due to the **Rouble devaluation** (33.4% yoy on average, H1 2015 vs H1 2014) **revenues declined by 17.0%** outperforming dynamics of TOP 50 Russian companies which are expected to lose about 25% of revenues this year
- While **number of jobs** in Well Service segment **rose** by 43% yoy respectively by 20.5% in Drilling, Sidetracking and Integrated Project Management segment, **average revenue per job** went **down** between 34.8% and 38.4%
- **Cost of sales decreased** by 13.0% yoy to MEUR 140.0, not able to fully compensate decline of revenues
- Group's **net income fell** by 48.1% yoy to MEUR 12.8 (HY1 2014: MEUR 24.7) reflecting lower EBIT and a weaker financial result
- **Financial result** affected by strong yoy **plus in interest costs** triggered by increase in accounts payable effected by former investment program financed via additional external lending
- **Cash position** at 30.06.2015 amounted to MEUR 57.4, well above the level stated 30.06.2014 (MEUR 40.6) and almost fully offsetting the decline posted in the 1st quarter 2015

HIGHLIGHTS HY1 2015 AT A GLANCE

- **Equity increased** by 23.4% since 31.12.2014 to MEUR 211.3 and **equity ratio ameliorated** from 46.1% to 52.5% in the same period
- **Capacity expansion** program budgeted 2014 **completed** and production **capacities fully marketed** for 2015; **average headcount up** by 16.0% yoy to 3,334 employees
- **Ba3 rating confirmed** by Moody's with a **stable outlook**
- **Record Drilling** in Orenburg region (Russia) for Gazprom Neft: 1,000 meter horizontal drilling achieved in 12.3 days only
- **30.000th fracturing job** in Company's history completed in Taylakovskoe (Russia) for Slavneft-MNG
- **10th AGM** confirmed election of Supervisory Board members

REVENUE DEVELOPMENT IN HY1 2015

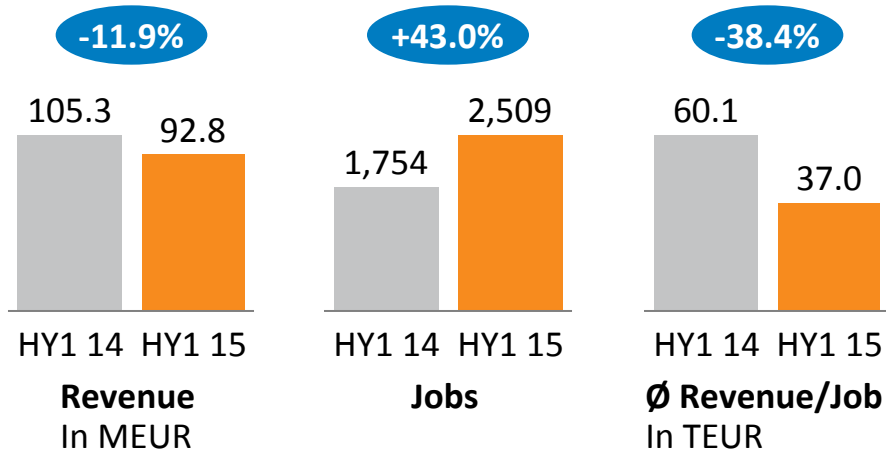
HY1 2015 Revenue Reconciliation in MEUR



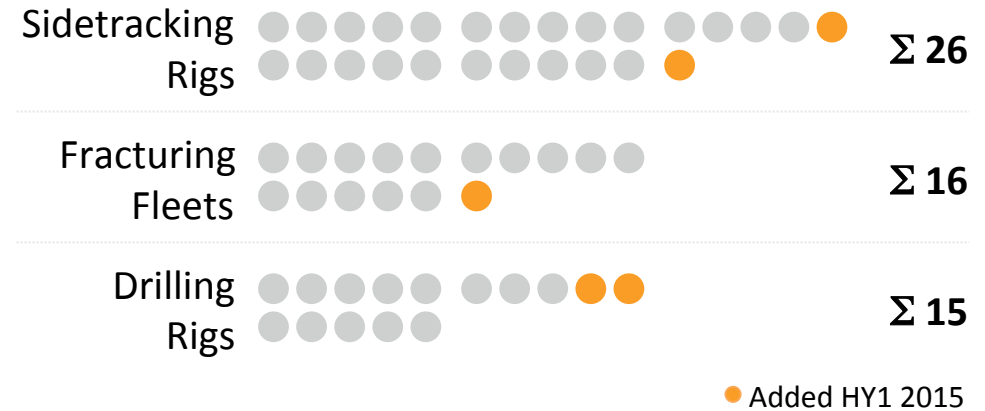
- Revenues declined by 17.0% yoy to MEUR 168.5 reflecting Rouble devaluation
- Despite 43.0% growth in jobs Well Services' revenues declined by 11.9% yoy to MEUR 92.8
- S/D/IPM's revenues down by 21.5% yoy to MEUR 75.7
- Average revenue in segments fell between 34.8% and 38.4% mainly due to Rouble devaluation

DEVELOPMENT OF SEGMENTS AND CAPACITIES

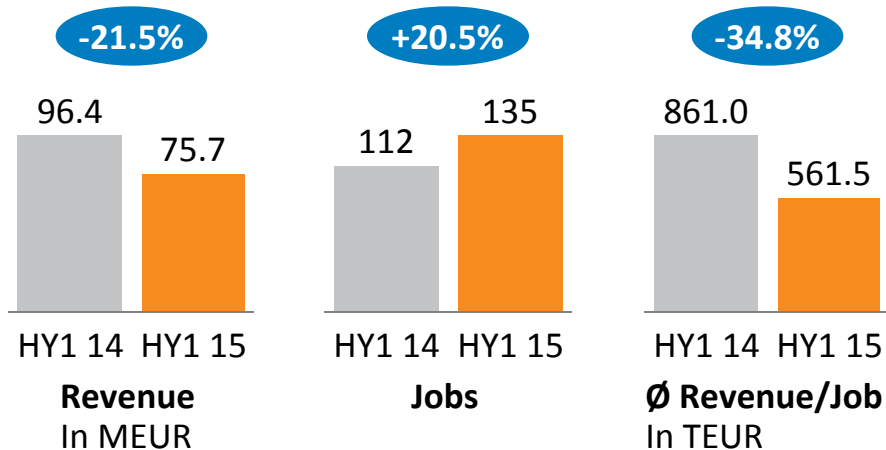
Well Services



Expansion Program Completed



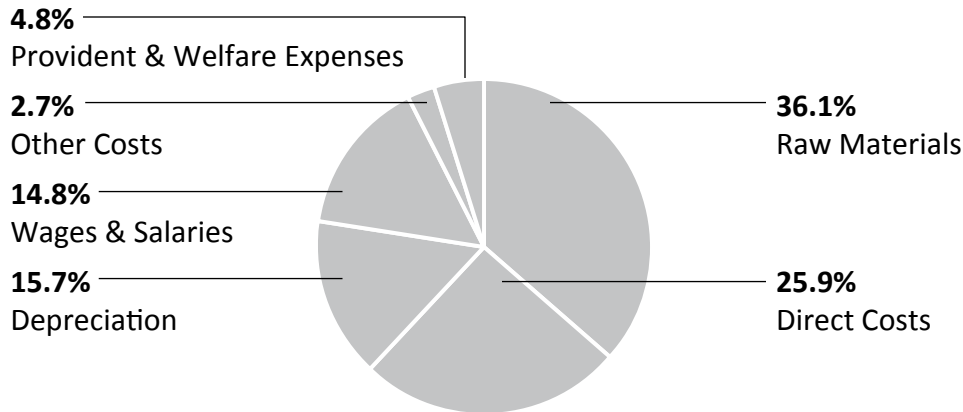
Drilling Sidetracking, IPM



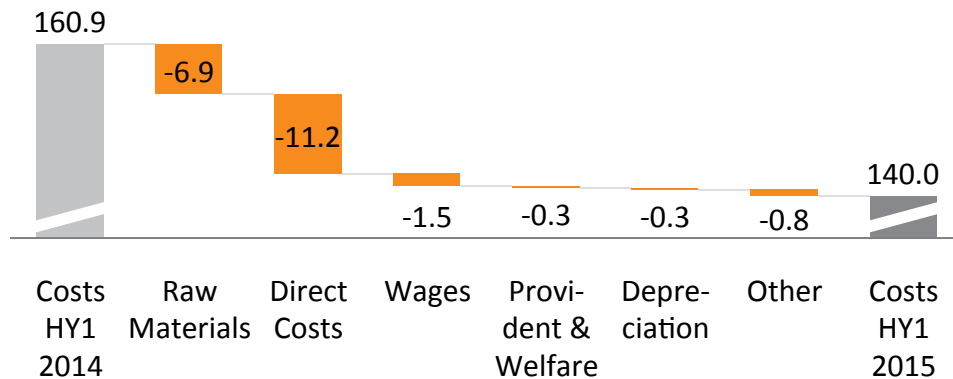
- End of June the Company was able to announce full capacity utilization for 2015

COST OF SALES IN HY1 2015

HY1 2015 Cost Breakdown



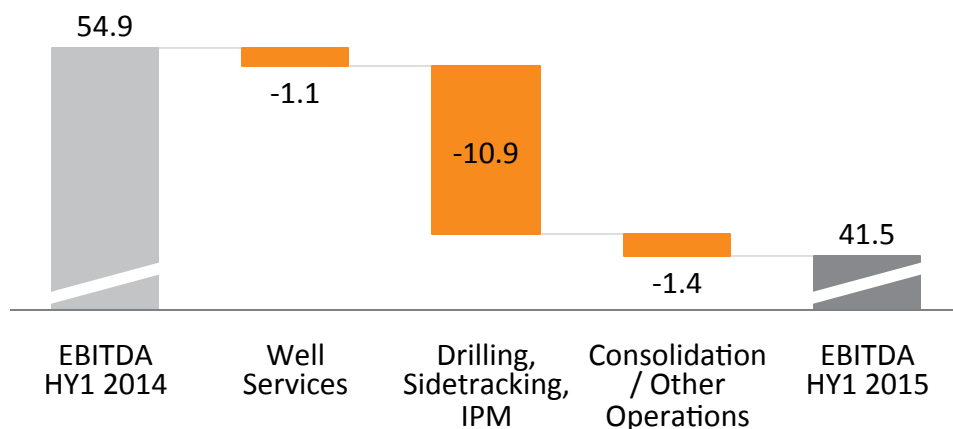
Cost of Sales Reconciliation in MEUR



- Cost of sales decreased by 13.0% yoy to MEUR 140.0, not able to fully compensate the decline of revenues (17.0% yoy)
- Cost of raw materials and supply fell by 12.0% yoy to MEUR 50.5 (HY1 2014: MEUR 57.4)
- Direct costs declined sharply by 23.5% yoy to MEUR 36.3 (HY1 2014: MEUR 47.4)
- Wages and salaries dropped by 6.9% yoy to MEUR 20.7 (HY1 2014: MEUR 22.2) despite a 16.0% plus yoy in average headcount to 3,334 employees (HY1 2014: 2,873)

EBITDA AND EBIT DEVELOPMENT

HY1 2015 EBITDA Reconciliation in MEUR (per Segment)



EBITDA Margin

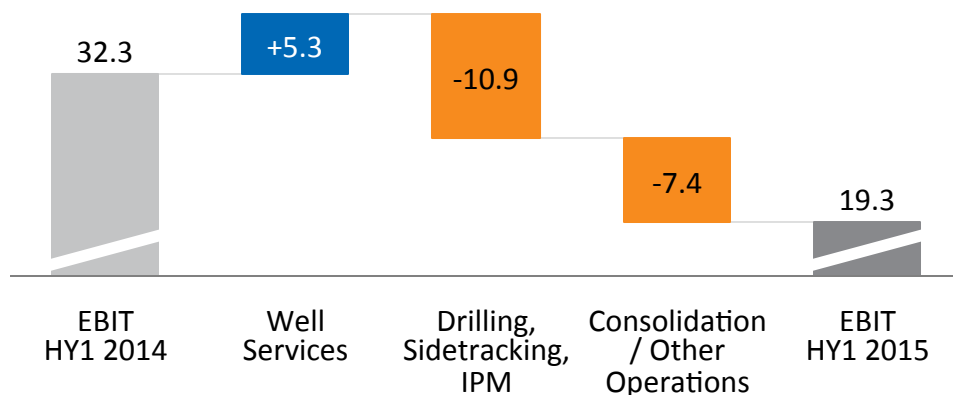
HY1 2014
27.0%

HY1 2015
24.6%

-2.4% ↘

- EBITDA decreased by 24.4% yoy to MEUR 41.5 (HY1 2014: MEUR 54.9) with EBITDA margin down by 2.4 basis points yoy to 24.6%

HY1 2015 EBIT Reconciliation in MEUR (per Segment)



EBIT Margin

HY1 2014
15.9%

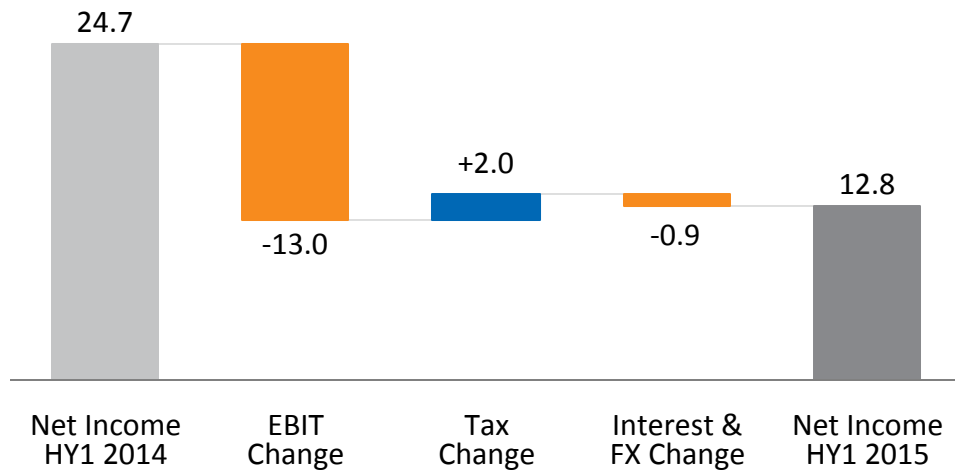
HY1 2015
11.4%

-4.5% ↘

- EBIT contracted by 40.4% yoy to MEUR 19.3 (HY1 2014: MEUR 32.3) mainly reflecting lower sales revenues and comparatively small cost reduction; EBIT margin down 4.5 basis points yoy to 11.4% (2013: 15.9%).
- However Well Service segment outperformed yoy: plus MEUR 5.3 EBIT and MEUR 3.6 net income

NET INCOME DEVELOPMENT

HY1 2015 Net Profit Reconciliation in MEUR



**Earnings
per share**

HY1 2014
0.51€

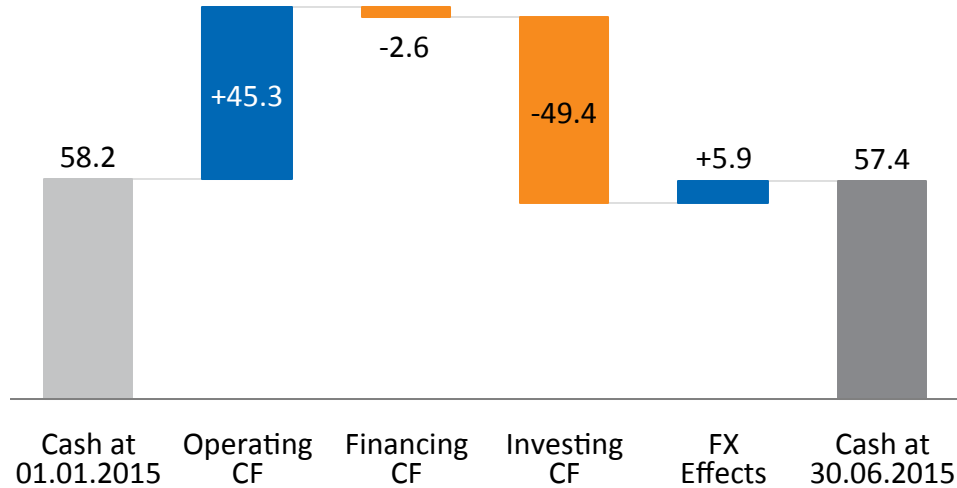
HY1 2015
0.26€

-49.0% ↓

- Group's net income sharply dropped by 48.1% yoy to MEUR 12.8 (HY1 2014: MEUR 24.7)
- Main factors:
 - Lower EBIT
 - Lower financial result triggered by the growth of interest payments (H1 2015: MEUR 1.14 vs H1 2014: MEUR -0.2) reflecting necessity to serve increased debt attracted in order to finance the investment program 2014
 - Additional write off of deferred tax assets accumulated over previous years amounting to MEUR 1.9

CASH OVERVIEW

HY1 2015 Cash Reconciliation in MEUR



- Cash position at 30.06.2015 amounted to MEUR 57.4, well above the level stated 30.06.2014 (MEUR 40.6) and almost fully offsetting the decline posted in the 1st quarter

- CF from operating activities increased by 71.4% yoy to MEUR 45,3 (HY1 2014: MEUR 26,4) due to significant plus in working capital (shifts in the ratio of Group's payables to its receivables)
- CF from financing activities turned negative to a net outflow of MEUR 2.6 (HY1 2014: net inflow MEUR 13.7) reflecting funding activities in prior period and interest now payable thereon
- CF from investing activities grew by 20.5% to MEUR 49.4 (HY1 2014: MEUR 41.0) mainly due to the change from cash (deposits)/withdrawals

ECONOMIC OUTLOOK INDUSTRY HY2 2015

■ General Environment

- Economic and business environment highly uncertain and volatile; doubts on sustainable global economic growth
- Huge volatility on global financial and stock markets; risk of further depreciation of Rouble

■ Oil Industry

- Oil production in Russia expected to remain on level of 2014 or slightly above
- Persistent pressure on oil price
- Conservative CAPEX policy in the entire industry

■ OFS Market

- Long term business upswing in OFS Market

OUTLOOK BUSINESS HY2 2015

- Guidance confirmed
 - Revenues expected between MEUR 310–320, EBITDA between MEUR 75–85 (@ EUR/RUB exchange rate 1:75)
- Strategy
 - Focus on quality and advanced technology in order to secure market share in flat market
 - Flexible capacity expansion planning according to market development and customers' future plans
 - Strengthen competitive advantages by diversification of clients, markets and service range (future strategy to be presented in HY2 2015)

OUTLOOK BUSINESS HY2 2015

- Management
 - Sustainable enhancements in KPI, HR, cost control and group-wide governance particularly regarding compliance (zero-tolerance approach)
 - Financial restructuring aimed to improve balance sheet structure and minimize exposure to the external risks
 - Further enhance transparency and strengthen mutual trust amongst all stakeholders

APPENDIX

CONSOLIDATED GROUP BALANCE SHEET AS AT 30 JUNE 2015

EUR thousand	Notes	30 June 2015	31 December 2014 (adjusted)				
ASSETS				EQUITY AND LIABILITIES			
Non-current assets		219,217	198,504	Equity		211,298	171,161
Intangible assets	2	199	259	Share capital	5	48,850	48,850
Property, plant and equipment	2	214,345	194,689	Capital reserve		111,987	111,987
Goodwill	2	2,559	2,176	Retained earnings		191,414	184,432
Other financial assets		185	165	Currency translation reserve		(140,953)	(174,108)
Deferred tax assets	6	1,929	1,215	Non-current liabilities		122,096	121,950
Current assets		183,631	172,820	Financial liabilities related parties	7, 12	100,000	100,000
Inventories	3	18,025	17,323	Financial liabilities	7	14,776	14,624
Trade receivables	4	97,298	85,000	Deferred tax liabilities	6	7,320	7,326
Bank deposits		5,733	0	Current liabilities		69,454	78,213
Other receivables	4	4,127	11,686	Financial liabilities related parties	8	2,614	695
Tax assets	4	1,014	573	Financial liabilities	8	13	14
Cash and cash equivalents		57,434	58,238	Trade payables	8	40,952	57,048
				Other liabilities	8	24,855	19,551
				Advance payments received	8	51	37
				Income tax payables	8	969	868
Balance sheet total		402,848	371,324	Balance sheet total		402,848	371,324

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015

EUR thousand	Notes	Q2 2015	Q2 2014 (adjusted)	HY1 2015	HY1 2014 (adjusted)
Sales revenues		95,798	112,366	168,507	203,113
Cost of sales	9	(77,956)	(84,721)	(139,952)	(160,901)
Gross profit		17,842	27,645	28,555	42,212
Administrative expenses		(5,511)	(5,353)	(9,663)	(10,427)
Other operating income and expenses		179	322	369	510
Operating result		12,510	22,614	19,261	32,295
Net finance income and expenses		(706)	(364)	(1,641)	(255)
Other financial result		(286)	18	502	22
Financial result		(992)	(346)	(1,139)	(233)
Profit before tax		11,518	22,268	18,122	32,062
Income tax		(4,152)	(4,698)	(5,278)	(7,324)
Profit after tax		7,366	17,570	12,844	24,738
(Loss)/profit before tax from discontinued operation		(30)	10	(37)	(21)
Basic earnings per share in EUR	10	0.15	0.36	0.26	0.51
Diluted earnings per share in EUR	10	0.15	0.36	0.26	0.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2015

EUR thousand	Notes	Q2 2015	Q2 2014 (adjusted)	HY1 2015	HY1 2014 (adjusted)
Profit after tax		7,366	17,570	12,844	24,738
Items that may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations					
Functional currency	1	1,475	9,630	7,899	(1,255)
Net investments, net of related tax	1	9,207	7,693	25,256	(1,571)
Other comprehensive income/(loss)		10,682	17,323	33,155	(2,826)
Comprehensive income		18,048	34,893	45,999	21,912

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

EUR thousand	Notes	HY1 2015	HY1 2014
Profit before tax		18,122	32,062
Depreciation and amortization	2	22,241	22,618
Profit on the disposal of fixed assets		(86)	(217)
Non-cash changes from profit tax/other positions		25	(1,589)
Gains from exchange rate changes		(502)	(22)
Net finance income and expenses		1,641	255
Income taxes paid		(5,620)	(4,352)
Change in working capital		9,517	(22,311)
Change in inventories		1,166	(975)
Change in trade and other receivables		5,277	(46,256)
Change in trade and other liabilities		3,074	24,920
Cash flows from operating activities		45,338	26,444
Purchase of property, plant and equipment	2	(44,062)	(42,071)
Proceeds from sale of equipment		289	405
Change from cash deposits/withdrawals		(5,658)	640
Cash flows used in investing activities		(49,431)	(41,026)
Cash (payments)/proceeds from issuing and repayments of loans		(1,406)	31,001
Finance interest paid		(1,239)	(245)
Dividends paid		-	(17,097)
Cash flows (used in)/from financing activities		(2,645)	13,659
Effect of exchange rate changes on cash and cash equivalents		5,934	(1,086)
Net change in cash and cash equivalents		(804)	(2,009)
Cash and cash equivalents as at 01 January		58,238	42,640
Cash and cash equivalents as at 30 June		57,434	40,631
Of which: cash flows from discontinued operation			
Cash flows from operating activities		15	(6)

INVESTOR RELATED INFORMATION

Financial Calendar for 2015/2016

26 November 2015	Publication of 3 rd Quarter Report
28 April 2016	Publication of Annual Report 2015
17 May 2016	Analysts' and Investors' Conference
27 May 2016	Publication of 1 st Quarter Report
17 June 2016	11 th Annual General Meeting
26 August 2016	Publication of Half Year Report
25 November 2016	Publication of 3 rd Quarter Report

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