FIRST QUARTER REPORT 2014

JANUARY–MARCH

FIRST QUARTER – 2014

QUARTERLY REPORT

c.a.t.oil

energy in motion

KEY GROUP FIGURES

SELECTED GROUP FIGURES IN ACCORDANCE WITH IFRS	Q1 2014 TEUR	Q1 2013 TEUR	Change in %
Revenue	90,747	98,910	-8.3%
Gross Profit	14,567	17,769	-18.0%
EBITDA	20,859	24,009	-13.1%
EBITDA margin	23.0%	24.3%	
EBIT	9,680	11,539	-16.1%
EBIT margin	10.7%	11.7%	
Net profit for the period	9,488	7,181	32.1%
Earnings per share (in EUR)	0.194	0.147	
Balance sheet total [1]	340,795	352,525	-3.3%
Equity [1]	238,766	251,747	-5.2%
Equity ratio [1]	70.1%	71.4%	
Capital expenditure	17,476	14,704	18.9%
Cash flow from operating activities	5,688	6,058	-6.1%
Cash flow from financing activities	4,017	3,676	9.3%
Cash and cash equivalents [1]	31,928	42,640	-25.1%
Employees (average)	2,837	2,595	9.3%

[1] As on 31.03.2014 and 31.12.2013 respectively

INTRO

MANFRED KASTNER
VORSTANDSVORSITZENDER

**Dear Ladies and Gentlemen,
Dear Shareholders,**

C.A.T. oil started 2014 with a challenging but successful first quarter. Our operations suffered slower than expected pace of growth as extremely low temperature in Western Siberia in January-February caused a 2.5 times yoy increase in downtime days in Q1 2014 compared to Q1 2013. Nonetheless, we achieved strong operating performance as witnessed by the improved activity levels during the reporting period: Well Services' job count was up 4.0% yoy and the total drilling and sidetracking footage increased by 18.6% yoy.

Our financial results were negatively affected by a very steep devaluation of the Russian rouble relative to the euro as a prevailing majority of our service orders are denominated in roubles. From the end of Q1 2013 to the end of Q1 2014 the Russian currency devalued almost 20%. Although more than 90% of our operating costs are in roubles, foreign currency translation had a direct effect on our top- and bottom-lines. As a result, our revenues contracted 8.3% yoy to EUR 90.7 million (Q1 2013: EUR 98.9 million) and EBITDA diminished 13.1% yoy to 20.9 million (Q1 2013: EUR 24.0 million). On the flip-side, our net income surged 32.1% yoy to EUR 9.5 million (Q1 2013: EUR 7.2 million) on the back of the improved financial result and the lower corporate tax expense. Our balance sheet remained strong with plenty of funding capacity for future growth. As of 31 March 2014, the equity ratio stood at 70.1% (31 December 2013: 71.4%) and net cash amounted to EUR 10.3 million (31 December 2013: EUR 24.6 million).

C.A.T. oil firmly stays on its high growth trajectory endorsed by its solid operating and financial metrics as well as the fundamentals-driven tail winds in the Russian OFS sector. The demand for technologically advanced services continues to accelerate and C.A.T. oil is well placed to cope with the ongoing shift in customers' demand patterns. In Q1 2014, the share of horizontal wells and sidetracks increased to 57% of our total drilling and sidetracking footage (Q1 2013: 40%), whereas multi-stage fracks constituted 18% of our total fracturing job count (Q1 2013: 16%). Our 2014-16 investment program of EUR 390 million stays intact. For 2014, we have budgeted capital expenditures of EUR 135 million primarily intended to expand our operating capacities by 67% for drilling, 18% for sidetracking and 7% for fracking in the second half of the year to meet our customers growing needs for modern oilfield service technology. The manufacturing of the ordered new capacities is fully on track.

Since the publication of our FY 2013 results on 23 April 2014, we have been awarded additional service orders worth EUR 8 million for 2014 and EUR 18 million for 2015. As of 27 May 2014, our 2014-16 total order book stands at EUR 780 million (28 May 2013: the total of EUR 538 million for 2013-15), whereas the current year order book amounts to EUR 423 million (28 May 2013: EUR 400 million). Based on our supportive operating environment and the record order book we reiterate our guidance for Fiscal Year 2014 and continue to expect revenues in the range of EUR 420 to 450 million and EBITDA of EUR 113 to 121 million (based on the average rouble-to-euro exchange rate of 48). We thank our shareholders for their loyalty to C.A.T. oil and look forward to further capitalising on our strengths in 2014.

Yours sincerely,
Manfred Kastner

GROUP INTERIM REPORT

GROUP INTERIM REPORT

GROUP BALANCE SHEET

CONSOLIDATED STATEMENTS OF INCOME

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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GROUP BALANCE SHEET AS OF 31.03.2014

in TEUR	31.03.2014	31.12.2013
ASSETS		
Current assets		
Inventories	17,380	19,631
Trade accounts receivable	82,899	73,483
Prepaid expenses and other current assets	4,825	5,118
Cash and cash equivalents	31,928	42,640
Non current assets		
Property, plant and equipment and intangible assets	187,565	196,672
Goodwill	3,227	3,473
Investments and other non current assets	546	639
Deferred taxes	12,425	10,869
	340,795	**352,525**
SHAREHOLDERS EQUITY AND LIABILITIES		
Current liabilities		
Trade accounts payable	46,393	45,514
Short term debts against related parties	277	147
Other current liabilities	15,785	18,718
Non current liabilities		
Long term debts against related parties	21,400	17,900
Deferred tax liabilities	18,174	18,501
Shareholders equity		
Share capital	48,850	48,850
Capital reserves	111,987	111,987
Retained earnings	162,942	153,454
Foreign currency exchange reserve	-85,013	-62,546
	340,795	**352,525**

CONSOLIDATED STATEMENTS OF INCOME

	Q1 2014 TEUR	Q1 2013 TEUR
Revenues	90,747	98,910
Cost of sales	-76,180	-81,141
Gross profit	**14,567**	**17,769**
Other operating income and expenses	188	-952
General and administrative expenses	-5,075	-5,278
Operating result	**9,680**	**11,539**
Interest income and expenses	111	-510
Foreign currency exchange profit and loss	4	-1,042
Result before income tax	**9,795**	**9,987**
Income tax	-307	-2,806
Group result	**9,488**	**7,181**
Thereof: Result from discontinued operation	-31	58
Earnings per share	**0.194**	**0.147**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Q1 2014 TEUR	Q1 2013 TEUR
Group result	**9,488**	**7,181**
Items that may be reclassified to profit or loss		
Currency translation	-10,885	1,355
Net investment	-11,583	1,697
Other comprehensive income	**-22,468**	**3,052**
Comprehensive income	**-12,980**	**10,233**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Q1 2014 TEUR	Q1 2013 TEUR
Profit before income tax	9,795	9,987
Depreciation and amortization	11,179	12,470
Profit/Loss on disposal of fixed assets	-122	526
Change in net working capital	-12,179	-15,578
Income tax paid	-1,996	-2,092
Other non cash income and expenses	-988	745
Cash flows from operating activities	**5,688**	**6,058**
Purchase of property, plant and equipment	-17,476	-14,704
Proceeds from sale of equipment	129	691
Cash flows from investing activities	**-17,347**	**-14,013**
Cash proceeds/cash payments from issuing/repayments loans	3,630	4,186
Finance income paid	388	-510
Cash flows from financing activities	**4,017**	**3,676**
Effect of exchange rate changes on cash and cash equivalents	-3,071	308
Net change in cash and cash equivalents	-10,713	-3,971
Cash and cash equivalents at 01.01	42,640	38,816
Cash and cash equivalents at 31.03.	**31,928**	**34,845**
Thereof: Cash flows from discontinued operation		
Cash flows from operating activities	-31	530
Cash flows from financing activities	0	-535

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserve	Retained earnings	FX Reserve	Net investment in a foreign country	Total equity
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance at 01.01.2013	48,850	111,987	114,827	-21,935	-8,757	244,972
Group result			7,181			7,181
Currency translation				1,355		1,355
Net investment					1,697	1,697
Balance at 31.03.2013	**48,850**	**111,987**	**122,008**	**-20,580**	**-7,060**	**255,205**
Balance at 01.01.2014	48,850	111,987	153,454	-36,095	-26,450	251,746
Group result			9,488			9,488
Currency translation				-10,885		-10,885
Net investment					-11,583	-11,583
Balance at 31.03.2014	**48,850**	**111,987**	**162,942**	**-46,980**	**-38,033**	**238,766**

MANAGEMENT OVERVIEW

MANAGEMENT OVERVIEW
EARNINGS SITUATION
FINANCIAL SITUATION
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EVENTS AFTER BALANCE SHEET DATE

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EARNINGS SITUATION

NEGATIVE EFFECTS OF ABNORMALLY HARSH WINTER CONDITIONS AND THE ROUBLE DEVALUATION

The Company's operating and financial results are characterized by distinct seasonality whereby the first quarter performance is exposed to a slowdown in operations due to harsh weather conditions in Western Siberia during the winter months and, therefore, profit contributions predominately arise in the second and third quarters of any year. The prolonged period of extremely low temperature in Western Siberia in January – February 2014 negatively impacted the Company's operations during the reporting period: weather-related downtime surged more than two and a half times YoY to 199 crew-days in Q1 2014 from 77 crew-days in Q1 2013. Nonetheless, the Company's operating activity levels accelerated, albeit at slower than expected pace, across all reportable segments in Q1 2014 compared to Q1 2013. Given the prevailing majority of the Company's service orders are denominated in the Russian roubles, the Company's financial performance was further aggravated by an 18.9% YoY rouble devaluation against the euro: the exchange rate was 49.1 roubles-to-euro as of 31 March 2014 compared to 39.8 roubles-to-euro as of 31 March 2013. The average exchange rate was 47.9 roubles-to-euro in Q1 2014 relative to 40.2 roubles-to-euro in Q1 2013.

CONSOLIDATED REVENUE DOWN 8.3% YOY

The Company's consolidated revenues contracted 8.3% YoY to EUR 90.7 million in Q1 2014 (Q1 2013: EUR 98.9 million). The decline was primarily driven by the negative effect of the rouble devaluation, which obscured the protracted upward trend in the Company's operating activity levels. Despite abnormally harsh weather conditions in Western Siberia during the reporting period, the Company's total service job count elevated 4.2% YoY to 909 jobs (Q1 2013: 872 jobs), whereas the average per job revenue diminished 12.0% YoY to TEUR 100 (Q1 2013: TEUR 113).

The contribution of the Company's operating and reporting segments, Well Services and Drilling, Sidetracking and IPM to the consolidated revenues was as follows:

WELL SERVICES: REVENUES DOWN 14.0% YOY

Well Services' revenues (from third parties) represented 51.9% of the Company's total revenues in Q1 2014 (Q1 2013: 55.3%). The reportable segment revenues staged a 14.0% YoY decline to EUR 47.1 million (Q1 2013: EUR 54.7 million) reflecting the counter effect of a 4.0% YoY gain in the service job count to 856 jobs (Q1 2013: 823 jobs) and a 17.3% YoY downturn in the average per job revenue to TEUR 55 (Q1 2013: TEUR 67). The downward trend in the average per job revenue primarily stemmed from the negative effects of the rouble devaluation against the euro. As customers demand continued shifting towards horizontal wells away from vertical and inclined wells, the share of multi-stage fracturing jobs was up to 18% of the total fracturing job count during the reporting period compared to 16% a year ago.

DRILLING, SIDETRACKING AND IPM: REVENUES DIMINISHED 2.9% YOY

Drilling, Sidetracking and IPM segment revenues (from third parties) represented 47.3% of the Company's total revenues in Q1 2014 (Q1 2013: 44.7%). Despite the total drilling and sidetracking footage increased 18.6% YoY to 70 thousand meters (Q1 2013: 59 thousand meters), the reportable segment revenues were down 2.9% YoY to EUR 42.9 million (Q1 2013: EUR 44.2 million) primarily due the effect of the rouble devaluation. The segment's service job count rose 8.2% YoY to 53 wells and sidetracks (Q1 2013: 49). The average per job revenue contracted 10.2% YoY to TEUR 810 (Q1 2013: TEUR 902). The share of horizontal wells and sidetracks increased to 57% of the Company's total drilling and sidetracking footage from 40% a year ago.

EXTERNAL REVENUES

		Q1 2014	Q1 2013	+/-	+/-%
Well Services	MEUR	47.1	54.7	-7.7	-14.0
Jobs	Number	856	823	33	4.0
Average Revenue	TEUR	55.0	66.5	-11.5	-17.3
Share of revenues	%	51.9	55.3		
Drilling. Sidetracking. IPM	MEUR	42.9	44.2	-1.3	-2.9
Jobs	Number	53	49	4	8.2
Average Revenue	TEUR	809.9	901.7	-92.0	-10.2
Share of revenues	%	47.3	44.7		
Group Management/Consolidation	MEUR	0.8	0.0	0.8	-
Total	MEUR	90.7	98.9	-8.2	-8.3

COST OF SALES DOWN 6.1% YOY

Despite the higher activity levels across all operating segments, cost of sales, which primarily consists of materials and supply, direct costs, depreciation, wages and salaries, declined 6.1% YoY to EUR 76.2 million in Q1 2014 (Q1 2013: EUR 81.1 million). The decline primarily owed to the rouble devaluation effects. Cost of materials and supply was down 13.0% YoY to EUR 26.8 million (Q1 2013: EUR 30.7 million), whereas direct costs, which primarily include transportation, mobilization, adaptation, subcontractor, repair and maintenance costs, were up 2.5% YoY to EUR 22.1 million (Q1 2013: EUR 21.6 million). Wages and salaries rose 1.0% YoY to EUR 10.6 million (Q1 2013: EUR 10.5 million) mainly due to a 9.3% YoY increase in the Company's headcount. Depreciation expense was down 11.1% YoY to EUR 11.0 million (Q1 2013: EUR 12.4 million) primarily due to the combined effect of exchange differences and disposals and additions of fixed assets on property, plant and equipment. Other costs of sales diminished 10.5% YoY to EUR 2.4 million (Q1 2013: EUR 2.7 million).

GROSS PROFIT DECLINED 18.0% YOY

Gross profit staged an 18.0% YoY decline to EUR 14.6 million (Q1 2013: EUR 17.8 million) and the gross profit margin contracted to 16.1% (Q1 2013: 18.0%).

GENERAL AND ADMINISTRATIVE EXPENSES LOWERED BY 3.9% YOY

General and administrative expenses diminished 3.9% YoY to EUR 5.1 million (Q1 2013: EUR 5.3 million). The decrease was primarily attributable to the lower payroll and social security expenses, repair and maintenance costs, consulting and insurance fees.

OTHER OPERATING INCOME AND LOSS

The Company incurred other net operating income of EUR 0.2 million in Q1 2014 compared to other net operating loss of TEUR 0.9 million in Q1 2013.

WEIGHTED AVERAGE HEADCOUNT ROSE 9.3% YOY

The Company's total weighted-average headcount rose 9.3% YoY to 2,837 employees in Q1 2014 (Q1 2013: 2,595). The increase primarily owed to the additional managerial, engineering and crew staff as a result of approximately 30% YoY increase in the Company's sidetracking capacity in 2013.

EBITDA STAGED A 13.1% YOY DECLINE AND EBIT FELL 16.1% YOY

The Company's earnings before interest, corporate tax, depreciation and amortization (EBITDA) decreased 13.1% YoY to EUR 20.9 million (Q1 2013: EUR 24.0 million) and the EBITDA margin contracted to 23.0% (Q1 2013: 24.3%). The Company's earnings before interest and corporate tax (EBIT) were down 16.1% YoY to EUR 9.7 million (Q1 2013: EUR 11.5 million). The EBIT margin narrowed to 10.7% in Q1 2014 (Q1 2013: 11.7%).

THE IMPROVED NET FINANCIAL RESULT

The Company's net financial result improved to EUR 0.1 million in Q1 2014 (Q1 2013: EUR –1.6 million) on the back of net interest income of EUR 0.1 million (Q1 2013: net interest expense of EUR 0.5 million) and foreign currency gains of TEUR 4 (Q1 2013: foreign currency losses of EUR 1.0 million).

NET INCOME UP 32.1% YOY

The Company's profit before tax decreased by 1.9% YoY to EUR 9.8 million (Q1 2013: EUR 10.0 million). However, an 89.1% YoY contraction in income tax expense to EUR 0.3 million in Q1 2014 (Q1 2013: EUR 2.8 million) resulted in a 32.1% YoY increase in net income to EUR 9.5 million (Q1 2013: EUR 7.2 million). Earnings per share amounted to EUR 0.194 (Q1 2013: EUR 0.147).

FINANCIAL SITUATION

OPERATING CASH FLOW DOWN 6.1% YOY

The Company's cash earnings were down 17.4% YoY to EUR 17.9 million (Q1 2013: EUR 21.6 million) primarily reflecting the lower depreciation and the changes in non-cash transactions. However, cash flow from operating activities staged only a 6.1% YoY decline to EUR 5.7 million (Q1 2013: EUR 6.1 million) primarily due to the lower seasonal expansion in net working capital in Q1 2014 compared to Q1 2013.

THE 2014 INVESTMENT PROGRAM FULLY ON TRACK

The Company's capital expenditures program for 2014 stands at around EUR 135.0 million and is primarily intended to expand the Company's operating capacities by 67% for drilling, 18% for sidetracking and 7% for fracturing by the yearend 2014 compared to the yearend 2013. Capital expenditures increased 18.9% YoY to EUR 17.5 million in Q1 2014 (Q1 2013: EUR 14.7 million) primarily owing to payments for the ordered operating capacities. With proceeds from sale of fixed assets of EUR 0.1 million (Q1 2013: EUR 0.7 million), the Company's cash flow from investing activities was a net outflow of EUR 17.3 million (Q1 2013: EUR 14.0 million).

A MODEST INCREASE IN LONG-TERM BORROWINGS

Cash flow from financing activities was a net inflow of EUR 4.0 million in Q1 2014 (Q1 2013: EUR 3.7 million) primarily due to a 19.6% increase in long-term borrowings to EUR 21.4 million as of 31 March 2014 (31 December 2013: EUR 17.9 million).

Cash and cash equivalents contracted 25.1% to EUR 31.9 million as of 31 March 2014 from EUR 42.6 million as of 31 December 2013.

ASSET SITUATION

SOLID BALANCE SHEET

In Q1 2014, the Company stayed adhered to its conservative financial policy, as witnessed by its solid balance sheet with the equity ratio of 70.1% as of 31 March 2014 (31 December 2013: 71.4%).

NON CURRENT ASSETS

Property, plant and equipment decreased 4.6% to EUR 187.0 million as of 31 March 2014 from EUR 196.1 million as of 31 December 2013, primarily reflecting a net result of depreciation, disposals and additions of fixed assets as well as foreign exchange differences during the reporting period. Deferred tax assets increased 14.3% to EUR 12.4 million as of 31 March 2014 from EUR 10.9 million as of 31 December 2013 primarily reflecting an increase in loss carry forward.

CURRENT ASSETS

Total current assets contracted 2.7% to EUR 137.0 million as of 31 March 2014 from EUR 140.9 million as of 31 December 2013. Trade receivables inflated 12.8% to EUR 82.9 million as of 31 March 2014 from EUR 73.5 million as of 31 December 2013 primarily due the effects of a seasonal fluctuations in trade receivables turnover. Inventories were down 11.5% to EUR 17.4 million as of 31 March 2014 from EUR 19.6 million as of 31 December 2013. Pre-paid expenses and other current assets were down 6.7% to EUR 3.3 million as of 31 March 2014 from EUR 3.5 million as of 31 December 2013 primarily due to the lower advance payments.

The Company's total assets fell 3.3% to EUR 340.8 million as of 31 March 2014 compared to EUR 352.5 million as of 31 December 2013.

CURRENT LIABILITIES

Total current liabilities contracted 3,0% to EUR 62.5 million as of 31 March 2014 from EUR 64.4 million as of 31 December 2013. Trade payables increased 1.9% to EUR 46.4 million as of 31 March 2014 compared to EUR 45.5 million as of 31 December 2013 primarily due to the business expansion during the reporting period. Other current liabilities contracted 14.2% to EUR 15.2 million as of 31 March 2014 compared to EUR 17.7 million as of 31 December 2013, primarily reflecting the lower VAT and wage payables.

WORKING CAPITAL

As of 31 March 2014, net working capital of EUR 42.9 million, up 26.2% from EUR 34.0 million as of 31 December 2013, provided sufficient liquidity for the Company's operations.

NON CURRENT LIABILITIES

The Company's interest-bearing liabilities were up 19,6% EUR 21.4 million as of 31 March 2014 from EUR 17.9 million as of 31 December 2013. The Company's net cash position contracted 58.3% to EUR 10.3 million as of 31 March 2014 (31 December 2013: EUR 24.6 million). The Company's deferred tax liabilities diminished 1.8% to EUR 18.2 million as of 31 March 2014 from EUR 18.5 million as of 31 December 2013.

SHAREHOLDER EQUITY

As of 31 March 2014 the Company had subscribed capital of EUR 48.9 million and capital reserves of EUR 112.0 million. There had been no change to the Company's subscribed capital and capital reserves since 31 December 2013. Retained earnings improved 6.2% to EUR 162.9 million as of 31 March 2014 compared to EUR 153.5 million as of 31 December 2013. Foreign currency exchange reserves decreased to a deficit of EUR 85.0 million as of 31 March 2014 from EUR 62.5 million as of 31 December 2013.

OUTLOOK

The Company reiterates its positive view of the 2014 business prospects based upon Russia's protracted upstream oil and gas investment cycle. The upward trend in the Russian OFS market is endorsed by the growing demand for technologically advanced services as productivity of maturing reserves in Western Siberia deteriorates. Russian oil producers' preferences swiftly drift towards more intricate but equally more rewarding horizontal wells at expense of plain vanilla vertical and inclined wells. This strategically important technologic shift not only results in greater complexity and intensity of drilling operations going forward but serves a multiplier on demand for fracturing activities.

In response to these fundamentals-driven tail winds in the sector, the Company in November 2013 embarked on the new capital expenditure program of EUR 390 million in 2014-16. The program is meant to expand the Company's operating capacities by 33% for fracturing, 55% for sidetracking and 170% for drilling by the end of 2016 compared to the end of 2013. For 2014, the Company's maintenance and growth capital expenditures stand at around EUR 135 million, aiming primarily at successive addition of six drilling rigs, four sidetracking rigs and one fracturing fleet to the Company operations in August-December. Manufacturing of the new capacities has been on schedule so far.

In May 2014, the Company was awarded additional drilling service orders of approximately EUR 8 million for 2014 and EUR 18 million for 2015 (assuming the average rouble-to-euro exchange rate of 48). As of 27 May 2014, the Company's order book for 2014 improved by around 2% to EUR 423 million from EUR 415 million as of 23 April 2014, whereas orders beyond the current year rose by around 5% to EUR 357 million (23 April 2014: EUR 339 million). As a result, the Company 2014-16 total order book increased by more than 3% to EUR 780 million (23 April 2014: EUR 754 million). The Company routinely enjoys further expansion in the order book in the second half of a year as customers award additional service orders through new tenders or rollover of the existing contracts. The existing order book level and positive outlook for new service orders going forward fuel management's confidence in attainability of the Company's guidance for 2014: Revenues of EUR 420 to 450 million and EBITDA of EUR 113 to 121 million.

FURTHER INFORMATION

Recent geopolitical tensions over the Ukrainian crisis and accession of Crimea to the Russian Federation have had no meaningful direct impact on C.A.T. oil's operations and business activities in the Russian Federation up until the time of preparation of financial statements for 2013 and publication of the Annual Report. Political risks however may exacerbate should sanctions against the Russian Federation by the United States and the European Union get broadened going forward. The Russian rouble has devalued significantly for macroeconomic and political reasons since the middle of 2013. Although it demonstrated some recovery in May 2014, a downward pressure on the Russian currency may resume going forward.

On 17 April 2014, the Company's Management Board and Supervisory Board resolved on the recommendation to the 13 June 2014 AGM to approve a cash dividend of EUR 0.35 per share. The proposed dividend represents a 40% increase in dividend per share compared to the previous year and the 2013 profit distribution of 34%.

EVENTS AFTER THE BALANCE SHEET DATE

There are no events after balance sheet date.

Vienna, 27 May 2014
Management Board

NOTES TO THE CONSOLIDATED INTERIM REPORT

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NOTES TO THE CONSOLIDATED INTERIM REPORT

NOTES TO THE CONSOLIDATED INTERIM REPORT AS OF 31.03.2014

ACCOUNTING IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Group interim financial report of C.A.T. oil AG for the quarter ended 31 March 2014 was prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standard Board (IASB) including the International Accounting Standards (IAS) and the Interpretations issued by the International Financial Reporting Standard Interpretations Committee (IFRIC).

The accounting principles and practise as applied in the Group interim financial report correspond to those pertaining of the last annual consolidated financial statement as of 31 December 2013. The separate interim reports of the consolidated companies have been drawn up at the same balance sheet date as the Group interim financial report.

The Group interim financial report for the period ended 31 March 2014 were prepared in accordance with IAS 34 and are condensed in scope compared with the consolidated financial statements as of 31 December 2013. Therefore, this interim financial report should be read in connection with the consolidated financial statements. A detailed description of the accounting policies is published in the notes as at 31 December 2013.

The income statement has been drawn up in accordance with the cost of sales method.

The Group interim financial report has been prepared in euros. All figures including previous year's figures are indicated in TEUR. By specifying in TEUR may arise rounding differences.

The Group interim financial report is published in German and English. The German version of the consolidated interim report is authoritative.

The Group interim financial report was subjected to an audit review by BDO Austria GmbH, Vienna, according to ISRE 2410.

SCOPE OF CONSOLIDATION

The scope of consolidation is unchanged in comparison to the balance sheet date 31 December 2013.

DISCLOSURES ON THE CONSOLIDATED BALANCE SHEET

INVENTORIES

in TEUR	31.03.2014	31.12.2013
Spare parts and other materials	13,268	13,719
Raw materials	2,157	3,537
Supplies	1,955	2,375
Total	**17,380**	**19,631**

Inventories are recognized at the lower value of historical costs and net realizable value.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Net book value in TEUR	Land and buildings	Vehicles	Oilfield equipment	Equipment electronic data processing	Advance payments	Intangible assets	Total
As of 31.03.2014	6,728	3,360	150,507	287	26,166	517	187,565
As of 31.12.2013	7,456	3,375	167,674	285	17,261	621	196,672

DISCLOSURES ON THE CONSOLIDATED INCOME STATEMENT

The earning situation of the Group is characterized by climate nature of Russia and Kazakhstan. Business related, the most significant contributions to the results of the C.A.T.oil Group predominantly arise in the second and third quarter.

COST OF SALES

in TEUR	Q1 2014	Q1 2013
Raw materials	26,758	30,739
Direct costs	22,105	21,563
Depreciations	11,024	12,395
Wages and salaries	10,600	10,493
Provident and welfare expenses	3,318	3,298
Other costs of sales	2,375	2,653
Total	**76,180**	**81,141**

PERSONNEL EXPENSES

	Q1 2014	Q1 2013
	TEUR	TEUR
Wages and Salaries	12,455	12,384
Provident and welfare expenses	3,796	3,818
Total	**16,251**	**16,202**

AVERAGE NUMBER OF EMPLOYEES

	Q1 2014	Q1 2013
	TEUR	TEUR
Full time	2,763	2,528
Part time	74	67
Total	**2,837**	**2,595**

NET EARNINGS PER SHARE

Net earnings per share is calculated in accordance with IAS 33 by dividing the net profit for the Group by the average number of shares. There is no dilutive effect.

	Q1 2014	Q1 2013
Average number of shares (Thsd.)	48,850	48,850
Net income from continuing operations (TEUR)	9,519	7,123
Net earnings per share from continuing operations Euro)	0.195	0.146

SEGMENT REPORTING

Q1 2014	Well Services	Drilling Sidetracking IPM	Total of reportable segments	Recon-ciliation	Group
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	47,060	42,923	89,983	764	90,747
Group sales	1,021	205	1,226	-1,226	0
Total sales	**48,081**	**43,128**	**91,209**	**-462**	**90,747**
Segment result	**4,689**	**3,390**	**8,079**	**1,413**	**9,492**
EBIT	4,756	3,416	8,172	1,508	9,680
EBITDA	11,613	10,648	22,261	-1,402	20,859

Q1 2013	Well Services	Drilling Sidetracking IPM	Total of reportable segments	Recon-ciliation	Group
	TEUR	TEUR	TEUR	TEUR	TEUR
External sales	54,727	44,183	98,910	0	98,910
Group sales	387	277	664	-664	0
Total sales	**55,114**	**44,460**	**99,574**	**-664**	**98,910**
Segment result	**9,310**	**4,536**	**13,846**	**-1,355**	**12,491**
EBIT	8,206	4,550	12,756	-1,217	11,539
EBITDA	12,777	12,598	25,375	-1,366	24,009

RECONCILIATION

in TEUR	Q1 2014	Q1 2013
Segment result	**8,079**	**13,846**
Unallocated activities	-1,630	-1,424
Discontinued operation	-31	-57
Consolidation	3,074	126
Segment result after reconciliation	**9,492**	**12,491**
Other operating income and expenses	188	-952
Operating result	**9,680**	**11,539**
Financial result	115	-1,552
Consolidated profit before tax	**9,795**	**9,987**

RELATED PARTIES

As at 31 March 2014 the loan against CAT. Holding (Cyprus) amounted to EUR 21.4 million (31 December 2013: EUR 17.9 million). The interest expenses in Q1 2014 amounted to TEUR 217 (Q1 2013 TEUR 565). The interest rate during the reporting period amounted 4.35% (previous year on average 4.50%).

EVENTS AFTER BALANCE SHEET DATE

There are no events after balance sheet date.

Vienna, 27.05.2014
Board of Management

Manfred Kastner   Ronald Harder   Anna Brinkmann   Leonid Mirzoyan

REPORT OF THE SUPERVISORY BOARD'S AUDIT COMMITTEE

The interim report January to March 2014 and the statutory auditor's review report, which was compiled as the basis for assessing and appraising the condensed interim financial statement, were submitted to the Supervisory Board's Audit Committee. The documents were explained by the Board of Management and discussed with the statutory auditor. The Audit Committee accepted the condensed interim financial statement.

Vienna, 27.05.2014

Dr. Gerhard Strate
Chairman of the Supervisory Board

FINANCIAL CALENDAR

13.06.2014	Annual General Meeting
28.08.2014	Second Quarter Interim Report 2014
27.11.2014	Third Quarter Interim Report 2014

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