

IG Seismic Services plc

MANAGEMENT'S REPORT ON 2012 RESULTS

For twelve months ended December 31, 2012

Select financial and operating information

	2012	2011 PF	Change	%
<i>in thousand US\$, unless otherwise stated</i>				
Revenue	608,482	616,345	(7,863)	-1.3%
EBITDA	119,103	115,764	3,339	2.9%
EBITDA margin	19.6%	18.8%	80bp	--
Net Profit / (loss)	12,523	(85,110)	97,633	--
Operating cash flow	84,063	68,122	15,941	23.4%
Capital Expenditures	56,688	83,833	(27,145)	-32.4%
Net Debt*	390,518	376,760	13,758	3.7%
Average exchange rate for the period (RUB/USD)	31.09	29.39	1.70	5.8%

Operational statistics

Kilometers

2D seismic (km)	11,072	20,030	(8,958)	-44.7%
3D seismic (sq.km)	20,139	18,910	1,229	6.5%

Shot Points by Method

2D	247,681	408,018	(160,337)	-39.3%
3D	1,291,052	1,243,202	47,850	3.8%
TOTAL	1,538,733	1,651,220	(112,487)	-6.8%

including

Russia**	1,369,918	1,350,368	19,550	1.4%
Kazakhstan	158,924	274,373	(115,449)	-42.1%
Other	9,891	26,479	(16,588)	-62.6%

*Net Debt is calculated using FX rate as at the end of the period (RUB/USD): 32.20 as at 31 December 2011 and 30.37 as at 31 December 2012.

** including subcontracting of 96,003 shot points in 2011 and 88,576 shot points in 2012

Seismic Services Order Book as of December 31, 2012 (including VAT)

FX 30.37 RUR/USD	Russia		Kazakhstan		TOTAL	
	RUR mln	USD mln	RUR mln	USD mln	RUR mln	USD mln
TOTAL including	25,338	834	284	9	25,622	844
Contracts Signed*	20,365	671	284	9	20,649	680
Tenders won, contracts to be signed	4,973	164	--	--	4,973	164

As of 31 December 2012, the Company's total seismic services order book amounted to approximately USD 844 million (inclusive of VAT), of which approximately USD 680 million (inclusive of VAT) accounted for signed contracts and approximately USD 164 million (inclusive of VAT) represented tenders awarded this year. The seismic services order book as of December 31, 2012 increased by 19% compared to the order book as of December 31, 2011**.

Beginning 2012, the Company will be releasing data processing & interpretation (DPI) order book. As of 31 December 2012, the Company's DPI order book amounted to approximately USD 13 million (inclusive of VAT) of signed contracts.

Data Processing & Interpretation Order Book as of December 31, 2012 (including VAT)

FX 30.37 RUR/USD		
	RUR mln	USD mln
Contracts signed*	405	13

*Signed contracts may be subject to renegotiation of volumes and/or other terms or even cancellation, and both signed contracts and tenders won may not proceed as originally planned at all.

**Order book data for December 31, 2011 represents a sum of order books of two entities existing before their combination in December 2011 (JV between Integra Group and Schlumberger and CJSC GEOTECH Holding). Order books were not consolidated at that time.

The following discussion and analysis of our financial condition and results of operations is for the year ended December 31, 2012 (the "Report"). It should be read in conjunction with our Audited Consolidated Financial Statements for the year ended December 31, 2012 and related notes. Financial information as of and for the year ended December 31, 2012 has been derived from our Audited Consolidated Financial Statements prepared in accordance with IFRS. Financial information for the year ended December 31, 2011 has been derived from our Pro forma income statement and Pro forma statement of cash flows prepared for illustrative purposes only to show the effect of the acquisition by IG Seismic Services Limited of CJSC Geotech Holding as if it had occurred on January 1, 2011, in a format consistent with the accounting policies adopted in the Group on the basis going forward. This Report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of numerous factors, including but not limited to the risks discussed in the section of this Report entitled "Qualitative and Quantitative Disclosures about Market Risk" and elsewhere in this Report. References to "IGSS", "the Group", "we", "our" and "us" are references to IG Seismic Services plc and its subsidiaries and equity affiliates.

Nature of operations

We are a leading pure-play land and transition zone seismic company servicing clients primarily in Russia and the CIS. We offer high quality seismic acquisition, data processing and interpretation services, building on the combined strengths of our former parent companies, Integra and GOSH, and our shareholder, Schlumberger.

We have a diversified client base and strong relationships with all key clients for seismic services in Russia. In particular, we benefit from our strong relationships with state-controlled oil and gas companies, such as OJSC Gazprom and OJSC NK Rosneft, which are expected to play an increasingly important role in the exploration and

development of Russia's most promising undeveloped oil and gas regions, as well as with the largest privately-owned companies and Russian government agencies responsible for publicly-funded geological exploration.

We are present in all key Russian hydrocarbon basins, including frontier areas, which provide promising prospects for future growth. We benefit from extensive logistical infrastructure and experience of operations in Russia's key hydrocarbon basins.

We operate through the following two business divisions:

- **Field Seismic Works.** We conduct both 2D and 3D seismic studies employing modern techniques, such as seismic side-scan sonar, uphole velocity surveys and the first-break method, using vibration, explosion and impulse sources. Depending on our project arrangement, we either transfer the acquired data to the client or continue our involvement in the project by forwarding it to our data processing and interpretation ("DP&I") division. Data is collected through high quality telemetric systems, such as SERCEL, ION and ARAM ARIES systems. In addition, our cooperation with Schlumberger provides us the benefit of a 3 year exclusivity period in the CIS to its proprietary UniQ technology. Our field seismic works division acquires data by first covering the relevant area with a grid of sensors, or geophones, interconnected by channels and linked into a recording system employing certain principle techniques, which differ primarily by the source of impact used. Our field seismic division focuses on acquiring seismic data on land and in transition zones. Relying on sophisticated seismic sources, we perform a variety of seismic surveys. Our mobilized field crews work in each of the key Russian onshore hydrocarbon provinces, including Western Siberia (including the Khanty-Mansiysk Autonomous District and the Yamal-Nenets Autonomous District), Eastern Siberia, Timano-Pechora and Volga-Urals, as well as in Kazakhstan and Uzbekistan and certain countries outside of the CIS.
- **Geophysical Data Processing and Interpretation.** We offer a large range of 2D and 3D seismic data processing and interpretation services, including the rendering of complex geological oil and gas field models. This division also develops oil and gas field exploration strategies and offers additional related services. Our DP&I division uses the latest technology software systems and has access to certain software of the Schlumberger group through Omega 2, and Petrel licenses, and also benefits from tailored Schlumberger personnel training in data processing and technology. The principal services that we offer include processing of geological data and interpretation of geological data.

Seismic Services Market Conditions

Our results of operations are affected by the conditions in the seismic services market, and more generally, the oil and gas field services market in Russia and the CIS. Since the beginning of 2010, conditions in this market have been gradually improving due to positive oil price dynamics and changes in Russian upstream and corporate taxation. However, excess capacity and lower prices in the market which emerged as a result of the global economic downturn still persist despite the gradual improvement. As a result, our costs have been gradually increasing, driven by raising labor, equipment and fuel prices, and our ability to pass these costs on to our clients has been limited during the periods under review due to competition in the seismic services market.

Volatility in demand for services is in part mitigated by the fact that state-related clients, such as state-controlled oil companies including Gazprom, Rosneft and Gazprom Neft and government authorities including Rosnedra, which accounted for approximately 14.5%, 8.6%, 14.6% and 10.6% of our revenues from seismic survey operations respectively for the year ended 31 December 2012, tend to demonstrate a greater degree of commitment to early-stage exploration projects even during the financial downturn, compared to private businesses. In addition, some hydrocarbon licenses in Russia include specific annual targets for seismic surveys, which requires the respective license holders to continue undertaking seismic services and prioritize them over most other capital expenditures, in order to retain such licenses.

Seasonality

In the year ended 31 December 2012, we derived over 90% of our revenues from our field seismic works operations. There is a limited season for conducting such operations in Siberia as we cannot access many areas in certain periods due to flooding caused by spring thawing and the melting of bogs, following which, the working area is usually characterized by swampy conditions. These conditions restrict the provision of field seismic services in Siberia to a period from December to April. In the first half of the year, our order book is typically lower than in the subsequent quarters, as we usually enter into contracts for the next season in the second half of the year. During the third

quarter of the year, we enter the preparation stage, which typically results in an increase in our debt and working capital levels. In addition, on certain occasions, volumes in the second quarter can be negatively affected by early spring thaw. We expect to continue our geographic diversification to reduce the impact of seasonality on our operations, in particular by re-deploying our crews to other locations, such as Southern Russia, Kazakhstan, Uzbekistan and certain countries outside the CIS, during off-peak seasons in Siberia. However, while such redeployment helps us better utilize our capacity throughout the year, increasing revenues, profits and return on capital, it also negatively affects our margins as seismic surveys performed in warmer climates and less demanding conditions generally yield lower margins as compared to seismic surveys performed in regions with more harsh weather conditions.

Seismic Services Market Trends in 2012

The year 2012 has shown that the Russian oil industry is entering a new stage of development. The vast majority of Russian production comes from increasingly mature fields discovered and in most cases developed during the Soviet period. The Russian government and oil companies are aware that, in order to replace falling production at these brownfields, it will be necessary to develop new fields and to apply new approaches to production at already producing fields, including through the exploration and development of new, yet-to-find, fields and tight oil reservoirs, and through the use of new technologies to develop more complex, discovered but undeveloped reservoirs and to optimize production from mature reservoirs at currently producing fields. An increasing proportion of Russian oil production is already accounted for by reservoirs with more complex geologies than those traditionally developed, which requires more complicated geological evaluation and production technologies. Thus, we expect that the growth of the seismic exploration market will be driven by increased seismic activity at existing brownfields, additional seismic exploration of tight oil reservoirs, new exploration in new regions and potentially also by offshore projects.

In line with the above, the seismic market in 2012 exhibited the two clear trends:

1. significant shift of customer focus towards frontier areas and greenfields;
2. significant increase in customer demand for high density seismic exploration technologies in response to the complex geology at existing and new oil and gas fields.

IGSS is well positioned to meet these challenges, being able to offer to customers advanced seismic and data processing technologies and highly customized seismic services to meet specific client needs (for more details please see Major Events in the Year Ended December 31, 2012).

Customers realize the capacity of better reservoir characterization of 3D seismic surveys when compared with 2D seismic surveys, and consequently have decreased 2D seismic order volumes. This corresponds to the trend experienced by IGSS – decrease in 2D seismic activity by 160 thousand shot points in 2012 over 2011, and increase in 3D seismic activity by 141 thousand shot points (please refer to the table Operational Statistics on page 1).

Major Events in the year Ended December 31, 2012

Integration of Assets

This was the first year in which IGSS conducted operations as a combined, integrated company, following the transaction to combine the Russian and CIS seismic assets of three leading companies (GEOTECH Holding, Integra and Schlumberger) that was finalized in December 2011. In 2012 IGSS has accomplished the integration of the combined assets, including the optimization of operational processes and personnel functions; streamlined operations and support infrastructure, and centralized management functions. This allowed the company to strengthen its positions and attain larger scale in its contracting, marketing and logistics functions; to increase its operational capacities and competencies; and to make operations more flexible, both geographically and operationally.

First Agreement on UniQ Technology Signed

In 2012 IGSS signed the first contract for provision of seismic exploration using the innovative, high-density UniQ seismic acquisition technology developed by IGSS shareholder Schlumberger). In December 2012, GEOTECH Holding (the managing company for IGSS' assets) and Gazprom Neft signed an agreement on the seismic exploration of the Vakunayskoe deposit of the Chonsky project in the Irkutsk Region. Gazprom Neft became the first Russian company to use UniQ technology. Although this technology has been successfully used during the previous few years by

leading foreign oil and gas companies abroad, it will be used in the Russian Federation for the first time. The UniQ technology makes it possible to explore areas that cannot be explored using conventional seismic operations, allowing customers to improve exploration efficiency through the most advanced understanding of reservoirs possible with current technologies. Within the strategic partnership framework, Schlumberger will provide CJSC GEOTECH Holding with comprehensive technical and technological project support and training. For more information please see the press release at <http://www.igseis.com/press-centre/press-releases>

Transition to Longer-term Contracts. Three-year Contract Signed with Gazprom Neft

Reflecting our customers' ongoing transition to more advanced seismic services and to a holistic approach towards the reservoir exploration, appraisal and modelling process, the year of 2012 has also marked for IGSS a transition to longer-term contracts, allowing the provision to oil and gas companies of more customized services tailored to their specific needs. GEOTECH Holding (the management company for IGSS' assets) signed a three-year agreement for seismic exploration work with and JSC Gazprom Neft, our first contract of such duration. The total area covered by the geophysical exploration under the contract can reach up to 5,000 square kilometers by the year 2015. The work will be performed using 3-D technology, as well as the innovative UniQ high density seismic data acquisition technology. For more information please see the press release at <http://www.igseis.com/press-centre/press-releases>

LSE Listing

On 11 December 2012, the Global Depositary Receipts (GDRs) of IG Seismic Services, representing two ordinary shares each, were admitted to the Official List maintained by the UK Listing Authority, and on 11 December 2012 started trading on the London Stock Exchange's Main Market. On Admission approximately 30.2% of the Company's shares were listed in the form of GDRs under TIDM code IGSS.

Financial Review

Key financial highlights for the full year of 2012:

- Revenue for the full year amounted to USD 608.5 mln, which is 1.3% below the Revenue for the same period of 2011 of USD 616.3 mln.
- EBITDA increased by 2.9% year-on-year and amounted to USD 119.1 mln.
- EBITDA margin increased by 80 bp year-on-year to 19.4% of sales compared to 18.8% of sales for the same period of 2011.
- Net Profit for the full year of 2012 amounted to USD 12.5 mln with a Net Margin of 2.1% compared to a net loss of USD 85.1 mln for the same period of 2011.
- Operating Cash Flow for the full year increased by 24.1% over the same period of 2011 to USD 84.1 mln.

The following table sets forth selected financial statements as of and for the year ended 31 December 2011 and 2012 extracted from our Audited Consolidated Financial Statements prepared in accordance with IFRS and from our Pro forma income statement.

	2012	2011 PF
Continuing operations		
Revenue	608,482	616,345
Cost of sales	(489,800)	(522,595)
Impairment of property, plant and equipment	-	(292)
Gross profit	118,682	93,458
Selling, general and administrative expenses	(74,345)	(97,967)
Other operating income	14,049	16,263
Other operating expense	(17,039)	(23,720)
Operating profit / (loss)	41,347	(11,966)
Finance income	802	2,642
Finance expense	(46,241)	(53,530)
Net foreign exchange gain / (loss)	1,608	(2,336)
Share of profit of an associate	6,399	(4,734)
Profit / (loss) before tax from continuing operations	3,915	(69,924)
Income tax benefit / (expense)	8,608	(6,816)
Profit / (loss) from continuing operations	12,523	(76,740)
Discontinued operations		
Profit / (loss) after tax for the year from discontinued operations	-	(8,370)
Profit / (loss) for the year	12,523	(85,110)
Other comprehensive income / (expense)		
Translation difference	8,815	(8,851)
Total comprehensive income / (expense)	21,338	(93,961)

Revenue

During the year ended 31 December 2012, revenue decreased by US\$7.9 million, or 1.3%, from US\$616.3 million for the year ended 31 December 2011 to US\$608.5 million for the year ended 31 December 2012. In rouble terms the Company experienced revenue growth of 4.4% that was offset by 5.8% depreciation of the Russian ruble against the US dollar (when comparing average rates for 2011 and 2012 full years).

Increase in revenue (excluding exchange rate effect) was driven by increase in sales in Russia segment (+6.5% in rouble terms or 0.7% in US dollar terms) that was offset by negative dynamics of Kazakhstan business where revenue declined by US\$13.2 million or 34.3% in US dollar terms.

The following table sets forth a breakdown of our revenue by geography and as a percentage of total revenue for the period indicated:

	2012	2011 PF
Russia	583,374	578,078
Kazakhstan	25,108	38,267
Total external sales	608,482	616,345

During the years ended 31 December 2012 and 2011, 95.9% and 93.8% of revenues, respectively, was generated by operations in Russia, with the remaining 4.1% and 6.2% of the revenues, respectively, attributable to operations in Kazakhstan.

Russia business segment revenue increase was driven by a number of factors:

- Russia seismic business revenue was positively impacted by favorable price per 1 shot point dynamics (+6.0% in rouble terms or 0.2% in US dollar terms) as well as a moderate increase in volumes of seismic work to done by 1.5% (from 1 350 368 shot points in 2011 to 1 369 918 shot points in 2012, excluding international projects volume). In addition, volume dynamics were negatively impacted by a decrease of subcontracted pass-through contracts due to the company's focus on performing more volumes using its own crews
- Revenue from processing and interpretation of geophysical information increased by US\$1.7 million, or approximately 8.9%, from US\$19.1 million in 2011 to US\$20.8 million in 2012. This increase was partially attributable to our increased focus on DP&I services.
- Additionally it should be noted that Russia segment revenue includes a portion of revenue rendered by Russian legal entities outside Russian Federation. In 2012 revenue from these services declined due to end of several major projects in Uzbekistan as well as the Yemen contract termination.

Kazakhstan business segment revenue declined from US\$38.3 million to US\$25.1 million due to seismic volume reduction by 42% (from 274 373 to 158 924 shot points). The reduction in volume resulted from completion in 2011 of vibration impact (or vibroseis) technique projects, characterized by high productivity, and their replacement in 2012 by explosive-and-drilling technique projects with lower productivity due to technological differences; as well as from as increased competition on seismic market. However, volume decline was offset by increase in average price of shot point made due to a change in the services mix. DP&I business in Kazakhstan also suffered a decline as a result of a decrease in volumes processed and increased competition.

The following table sets forth a breakdown of our revenue by types of services rendered and as a percentage of total revenue for the period indicated:

	2012	2011 PF
Field seismic operations	578,686	591,351
Processing and interpretation of geophysical information	20,836	19,103
Other revenue	8,960	5,891
Total	608,482	616,345

Other revenue increased by US\$3.1 million, from US\$5.9 million in 2011 to US\$8.9 million in 2012. Other revenue comprises primarily transportation services we occasionally provide to third parties where we have excess capacity, and rent of equipment and real estate that we do not expect to utilize for our core business purposes within the current year or season.

During the year ended 31 December 2012 and the 2011, 95.1% and 95.9% of revenues, respectively, was generated by field seismic operations.

Cost of sales

Cost of sales decreased by US\$33.1 million, or 6.3%, in the year ended 31 December 2012 and amounted to US\$489.8 million, as compared to US\$522.9 million in the year ended 31 December 2011. Of this reduction, a decrease of 5.8% was due to the depreciation in the value of the Russian ruble, and 0.5% due to business factors, such as (i) reduction of aggregate shot points volume by 6.8% primarily stemming from the Kazakhstan business unit, (ii) higher prices for services procured from third parties (particularly oilfield services & transportation), partly mitigated by lower materials and supplies costs despite higher fuel and energy prices. The following table summarizes the cost of sales by type of expense during the periods indicated:

	2012	2011 PF
Labor and wages, including mandatory social contribution	182,330	205,746
Materials and supplies	98,210	101,141
Oilfield services	83,565	84,621
Depreciation of property, plant and equipment and amortization of intangible assets	63,172	75,737
Transportation services	23,557	24,424
Operating lease payments	15,810	17,190
Other third parties services	17,687	7,002
Loss from the contract in Yemen	1,817	2,589
Impairment of property, plant and equipment	-	292
Other	3,652	4,145
Total	489,800	522,887

Labor and wages, including mandatory social contribution

Expenses related to labor and wages, including mandatory social contribution, decreased by US\$23.4 million, or 11.4%, to US\$182.3 million in the year ended 31 December 2012, as compared to US\$205.8 million in the year ended 31 December 2011, of which a decrease of 5.1% was due to the depreciation in the value of the Russian ruble, and 6.1% due to the reduction of aggregate shot points volume performed and successful efforts by the Group's management to control personnel costs. The decrease in wages and salaries as a percentage of total cost of services (from 39% to 37%), resulted from an increase in the share of seismic services of subcontractors in the total cost of services. Also there has been a significant overlap in the regions of operations between the companies before their combination into one entity, resulting in potential to reduce costs through optimization of logistical and maintenance facilities and consecutive reduction of support personnel headcount, and to exclude overlapping crews and functions in several regions. In 2012 the Company reduced the number of operational bases from 33 to 28. Optimization of facilities, operational processes and personnel functions in 2012 resulted in 11.1% total reduction of personnel headcount.

Materials and supplies

Materials and supplies expenses decreased by US\$2.9 million, or 2.9%, to US\$98.2 million in the year ended 31 December 2012, as compared to US\$101.1 million in the year ended 31 December 2011, of which a decrease of 5.6% was due to the depreciation in the value of the Russian ruble, and an increase of 2.7% due to significant increase in price of material and supplies, primarily fuel costs, at the beginning of 2012.

Depreciation of property, plant and equipment and amortization of intangible assets

Depreciation of property, plant and equipment and amortization of intangible assets decreased by US\$12.6 million, or 16.6%, to US\$63.2 million in the year ended 31 December 2012, as compared to US\$75.7 million in the year ended 31 December 2011. This was primarily due to (1) provisional nature of PPA adjustment in relation to depreciation of property, plant and equipment and amortization of intangible assets reported in the pro forma income statement for 2011, and (2) completion of the purchase accounting of the reverse acquisition of IGSS by Geotech Holding JSC as of 31 December 2012. The valuation was completed and the acquisition date fair value of property, plant and equipment was US\$ 454,413, a decrease of US\$ 9,636 over the provisional amount. Certain revisions of the remaining useful lives of property, plant and equipment acquired were also performed resulting in the decrease of depreciation of property, plant and equipment and amortization of intangible assets.

Oilfield services

Oilfield services decreased by US\$1.1 million, or 1.2%, to US\$83.6 million in the year ended 31 December 2012, as compared to US\$84.6 million in the year ended 31 December 2011.

Transportation services

Transportation services expenses decreased by US\$0.8 million, or 3.5%, to US\$23.6 million in the year ended 31 December 2012, as compared to US\$24.4 million in the year ended 31 December 2011, of which a decrease of 5.6% was due to the depreciation in the value of the Russian ruble, and an increase of 2.2% due to more crew movements in Russia and a larger number of projects performed by crews outside their main regions of operations.

Operating lease payments

Operating lease payments decreased by US\$1.4 million, or 8.0%, to US\$15.8 million in the year ended 31 December 2012, as compared to US\$17.2 million in the year ended 31 December 2011, of which a decrease of 5.3% was due to the depreciation in the value of the Russian ruble, and an decrease of 2.7% due to reduction of aggregate shot points volume performed that was partially offset by an increase of geophysical equipment rental as a result of 3D work share growth.

Loss from the contract in Yemen

From February 2011 until the date of these consolidated financial statements there has been political unrest in Yemen and during this period the Group had to suspend its operating activities and bear expenses related to maintaining its operating base in the country. As the current operating environment in Yemen remains unstable the Group has decided to cease operations and withdraw from Yemen. Loss from the contract in Yemen reported for 2012 comprised 1,817.

Other

Other expenses decreased by US\$0.5 million, or 11.9%, to US\$3.7 million in the year ended 31 December 2012, as compared to US\$4.2 million in the year ended 31 December 2011, of which a decrease of 5.3% was due to the depreciation in the value of the Russian ruble, and an decrease of 4.0% due to overall reduction of seismic work performed.

Gross Profit

As a result of the foregoing, our gross profit increased by US\$25.2 million, or 27.0%, to US\$118.7 million in the year ended 31 December 2012, as compared to US\$93.5 million in the year ended 31 December 2011.

General and Administrative Expenses

General and administrative expenses decreased by US\$23.6 million, or 24.1%, from US\$98.0 million in the year ended 31 December 2011 to US\$74.4 million in the year ended 31 December 2012. As a percentage of total revenue, General and administrative expenses decreased to 12.2% for 2012 from 15.9% for 2011. Of this, a decrease of 5.8% was due to the depreciation in the value of the Russian ruble, and 18.3% was due to lower costs resulting from efficiency gains following the Transaction. The following table summarizes general and administrative expenses by type of expense during the periods indicated:

	2012	2011 PF
Labor and wages, including mandatory social contribution	38,833	42,376
Third party services	8,295	5,908
Taxes, other than income tax	5,434	7,078
Depreciation of property, plant and equipment and amortization of intangible assets	2,921	7,141
Transaction related expenses	1,677	12,847
Consulting and fees payable to Integra Group	-	11,087
Operating lease payments	2,869	2,375
Bank charges	895	1,356
Bad receivables write-offs and provisions	9,921	724
Other	3,500	7,075
Total	74,345	97,967

Labor and wages expenses decreased by US\$3.5 million, or 8.4%, to US\$38.8 million in the year ended 31 December 2012, as compared to US\$42.4 million in the year ended 31 December 2011 due to the elimination of overlapping personnel of Integra and Geotech legacy Units.

Third party services expenses decreased by US\$22.2 million, or 69.2%, to US\$9.9 million in the year ended 31 December 2012, as compared to US\$32.1 million in the year ended 31 December 2011 due to:

- (i) elimination of consulting fees payable to Integra Group US\$11.1 million that represented corporate function services to Integra Unit, including executive management, finance and accounting staff, legal and corporate governance, budget and cost control personnel, corporate finance and treasury management compensation, and the costs of third-party advisors and consultants.
- (ii) Decrease of transaction related expenses by US\$11.2 million, or 87.0%, to US\$1.7 million in the year ended 31 December 2012, as compared to US\$12.8 million in the year ended 31 December 2011

Also during 2012 the Group has written-off certain accounts receivable primarily due to expiry of the statute of limitations. This increase was partially offset by write off of the corresponding accounts payable of 6,291 reported for 2012 within other operating income.

Other Operating Income

Other operating income decreased by US\$2.2 million, or 13.6%, to US\$14.0 million in the year ended 31 December 2012 from US\$16.3 million in the year ended 31 December 2011. This decrease was primarily attributable to a gain on disposals of property, plant and equipment and other non-current assets of US\$0.9 million reported in 2011 and a decrease in gains from restoration of provision for probable claims from tax authorities which were accrued in the prior years. Gains from this restoration amounted to US\$0.8 million in the year ended 31 December 2012, while they stood at US\$2.3 million the year ended 31 December 2011.

Other Operating Expenses

Other operating expense decreased by US\$6.9 million, or approximately 28%, to US\$17.0 million in the year ended 31 December 2012 from US\$23.7 million in the year ended 31 December 2011. This increase was primarily attributable to a US\$10.8 million decrease in loss on disposals of property, plant and equipment and other non-current assets, relating to the disposal and write off in the year ended 31 December 2011 of certain fixed assets whose book value was recorded at a high market price derived from an independent valuation effected prior to the financial downturn of 2008, which was partially offset by a US\$4.1 million increase in penalties and fines paid to certain customers and contractors.

Operating Profit

As a result of the foregoing, our operating profit reported for the year ended 31 December 2012 comprised US\$ 41.3 million as compared to US\$ 12.0 million operating loss incurred in the year ended 31 December 2011.

Finance Income

Finance income decreased by US\$1.8 million, or approximately 70%, from US\$2.6 million in the year ended 31 December 2011 to US\$0.8 million in the year ended 31 December 2012. This decrease was primarily due to US\$1.3 million gain from the redemption of promissory notes reported in FY 2011. This gain related to the Geotech Unit's redemption of its promissory notes at a discount, principally in the years ended 31 December 2009 and 2010. The promissory notes were originally issued and used as partial payment for the acquisition of Khantymansiyskgeophysics OJSC ("Khantymansiyskgeophysics") and its subsidiaries in the year ended 31 December 2008.

Finance Expense

Finance expense decreased by US\$7.3 million, or 13.6%, from US\$53.5 million in the year ended 31 December 2012 to US\$46.3 million in the year ended 31 December 2011, primarily as a result of unwinding of discount of payables for acquisition of subsidiaries of US\$9.7 million reported in the year ended 31 December 2011. All payables which originated in previous business combinations were ultimately redeemed as of 31 December 2011.

	2012	2011 PF
Interest expense on loans and borrowings	43,022	38,163
Unwinding of discount of promissory notes for acquisition of subsidiaries	-	9,661
Bank charges on loans and loan accounts	1,163	1,670
Interest expense on finance lease	2,056	4,036
Total finance expenses	46,241	53,530

Net Foreign Exchange gain / (loss)

The Group earned US\$1.6 million on net foreign exchange as compared to US\$ 2.3 million loss reported in FY 2011. This was primarily due to a favorable shift in exchange rates in relation to the amount of US dollar-denominated liabilities.

Share in profit / (loss) of an Associate

Share of profit of associate increased by US\$11.1 million from US\$4.7 million loss in the year ended 31 December 2011 to US\$6.4 million profit in the year ended 31 December 2012. This increase was due to a corresponding increase of financial performance of Sibneftegeophysika, in which we control a 39.5% interest, in the year ended 31 December 2012.

Profit / (loss) Before Tax

As a result of the foregoing, profit before tax from continued operations increased by US\$73.8, which resulted in a pre-tax profit of US\$3.9 million in the year ended 31 December 2012, as compared to a pre-tax loss of US\$69.9 million in the year ended 31 December 2011.

Income Tax (Expense) / Benefit

Income tax benefit increased by US\$15.4 million from an expense of US\$6.8 million in the year ended 31 December 2011 to a benefit of US\$8.6 million in the year ended 31 December 2012. This was primarily driven by the US\$ 6.9 million of additional income tax for previous years that was accrued in the year ended 31 December 2011 as a result of on-site tax inspections, decrease of current income tax expense reported in FY 2012 by US\$3.2 million from US\$ 5.0 in the year ended 31 December 2011 to US\$1.8 million in the year ended 31 December 2012 and an increase in deferred tax benefit from US\$5.1 million in the year ended 31 December 2011 to US\$11.5 million in the year ended 31 December 2012 primarily due to deferred tax assets recognised on previously incurred tax losses. Formerly such assets were not recognised due to uncertainty in relation to future taxable profits to be utilized against.

Profit for the Year

As a result of the foregoing, profit for the year from continuing operations increased by US\$97.6 million from loss of US\$85.1 in the year ended 31 December 2011 to a profit of US\$ 12.5 million in the year ended 31 December 2012.

Adjusted EBIT and adjusted EBITDA

Group monitors the operating results for the purpose of making decisions about resource allocation and performance assessment on the basis of adjusted EBIT and adjusted EBITDA.

Adjusted EBIT is defined as operating profit from continuing operations including depreciation and amortization and excluding any non-recurring transactions included within operating profit from continuing operations.

Adjusted EBITDA is defined as operating profit from continuing operations before depreciation and amortization excluding any non-recurring transactions included within operating profit from continuing operations.

	2012	2011 PF
Operating profit/(loss)	41,347	(11,966)
Transaction related expenses	1,677	12,847
Restructuring and redundancy costs	7,043	726
Loss from the contract in Yemen	1,817	2,589
Consulting and fees payable to Integra Group	-	11,087
Distribution of Corporate overheads	-	1,818
Adjusted EBIT	51,884	17,101
Depreciation of property, plant and equipment	63,024	80,184
Amortization of intangible assets	3,272	2,692
Impairment of property, plant and equipment	-	292
Loss/(gain) on disposal of non-current assets	923	15,495
Adjusted EBITDA	119,103	115,764

Liquidity and Capital Resources

Our principal sources of liquidity are cash flows from our operating activities and partially bank loans. We expect to continue financing a certain portion of our capital expenditures using cash from operations and partially bank financing. We believe that cash flows generated from operations in 2012 and 2013 will be sufficient to finance our working capital needs and to repay our existing obligations as they become due and that bank financing will be available to us on commercially acceptable terms.

Cash Flows

The following table sets out Group's summary cash flow information for the year ended 31 December 2011 and 2012:

	2012	2011 PF
Net cash from operating activities	84,063	68,112
Net cash used in investing activities	(27,761)	(19,105)
Net cash used in financing activities	(51,797)	(56,268)

Net Cash from Operating Activities

During the year ended 31 December 2012, cash flows from operating activities increased by US\$16.0 million, or 23.4%, to US\$84.1 million, as compared to US\$68.1 million in the year ended 31 December 2011. This increase was primarily attributable to changes in working capital, and in particular to changes in accounts receivable, inventories, provisions, and prepayments and other current assets, all of which had a positive effect on our cash flows from operating activities as well as significant improvement in financial results for the current year: pre-tax profit of US\$3.9 million in the year ended 31 December 2012, as compared to a pre-tax loss of US\$69.9 million in the year ended 31 December 2011.

Net Cash (Used in) / From Investing Activities

During the year ended 31 December 2012, cash flows used in investing activities increased by US\$8.7 million, or 45.3%, from US\$19.1 million in the year ended 31 December 2011 to US\$27.8 million in the year ended 31 December 2011. This increase was primarily attributable to a US\$18.4 million of proceeds from the disposal of the Drilling business and net cash proceeds from repayment of loans issued in amount of \$9.7 million reported in FY 2011 which were partially offset by US\$23.1 million decrease in cash spent on purchases of property, plant and equipment.

Net Cash From / (Used in) Financing Activities

During the year ended 31 December 2012, cash flows used in financing activity remained relatively stable, decreasing by US\$4.5 million, or 7.9%, from US\$56.3 million in the year ended 31 December 2011 to US\$51.8 million in the year ended 31 December 2012.

Capital Expenditures

The combined capital expenditures were approximately US\$83.8 million and US\$56.7 million in the years ended 31 December 2011 and 2012, respectively. Capital expenditures consist primarily of purchases of equipment and software used in the operations, repayment of liabilities under finance lease agreements and redemption of promissory notes issued to suppliers of seismic equipment.

	2012	2011 PF
Investing activities: Purchases of property, plant and equipment	33,988	57,060
Financing activities: Repayment of finance lease obligations	17,508	21,581
Financing activities: Redemption of CAPEX promissory notes	5,192	5,192
Total cash CAPEX	56,688	83,833

Our capital expenditures are presented on the basis of cash paid for the respective period. These capital expenditures consist primarily of purchase of equipment and software used in our operations, repayment of finance lease obligations and redemption of promissory notes issued by us to finance our capital expenditures. As of 31 December 2012, we had no firm commitments in respect of future capital expenditures.

Capital resources

As of 31 December 2011 and 2012, all of our debt was denominated in Roubles. The following table sets forth the Group's total debt as of 31 December:

	31 December 2012	31 December 2011
<i>Non-current liabilities</i>		
Long-term bank loans	225,799	204,313
Total non-current loans and borrowings	225,799	204,313
<i>Current liabilities</i>		
Short-term bank loans	125,851	88,830
Short-term borrowings	-	5,074
Current portion of long-term bank loans	35,929	53,574
Short-term interest payable	273	408
Total current borrowings	162,053	147,886
Total borrowings	387,852	352,199

Years 2011 and 2012 were characterized by significant fluctuations of RUR/USD rate, and this factor significantly influenced financial results that were reported in USD. For example, net debt, calculated in RUR, decreased from RUR 12,132 million in 2011 to RUR 11,860 million in 2012.

A number of our loan agreements and revolving credit line agreements were secured by our property, plant and equipment, and rights to claim cash. In addition, as of 31 December 2012, 85.24% of our shares in OJSC Narian-Marseismorazvedka and 68.90% of our shares in Khantymansiyskgeophysics were pledged as security under our loan agreements.

We typically incur a significant portion of our expenses during the preparation and mobilization stages, which normally occur in the period of August to October, and effect drawdowns under our credit facilities.

To assess the debt levels the Group uses Gross Debt measure which is a sum of Loans and borrowings, promissory notes issued and finance lease obligations as at reporting date and Net Debt which is calculated by deduction of cash and cash equivalents from Gross Debt. Gross debt and Net Debt as of 31 December 2012 and 2011 are presented below:

	31 December 2012	31 December 2011
Loans and borrowings payable	387,852	352,199
Notes issued	15,340	20,503
Finance lease obligations	5,941	17,245
Gross debt	409,133	389,947
Less: cash and cash equivalents	(18,615)	(13,187)
Net debt	390,518	376,760

Off-Balance Sheet Arrangements

As of 31 December 2012, the Group did not have any material off-balance sheet arrangements.

Qualitative and Quantitative Disclosures about Market Risk

The Group's activities expose it to a variety of market risks including credit, interest rate, currency and other risks arising from adverse movements in the price of oil, foreign currency exchange rates and changes in interest rates. Our overall risk management objective is to reduce the potential adverse effects of these risks on our financial performance.

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to pay amounts due or fail to perform obligations causing financial loss to the Group. The Group's credit risk principally arises from cash and cash equivalents and from credit exposures of its customers relating to outstanding receivables and loans provided to third parties. The Group has not used any financial risk management instruments in this or prior periods to hedge against this exposure.

The Group only maintains accounts with reputable banks and financial institutions such as Sberbank, Alfa Bank, Raiffeisen Bank and Nomos Bank and therefore believes that it does not have a material credit risk in relation to its cash or cash equivalents.

The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history. The carrying amount of accounts receivable, net of provision for impairment of receivables, represents the maximum amount exposed to credit risk. The Group has no significant concentrations of credit risk. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the allowance already recorded.

Interest rate risk

The Group is not exposed to upward interest rate risk through market value fluctuations of interest-bearing loans payable because the interest rates on long-term loans are being fixed. As at 31 December 2012 the Group did not hedge its interest rate risk.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Group manages market risk through periodic estimation of potential losses that could arise from adverse changes in market conditions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

Foreign currency risk

The Group is not engaged in any significant hedging activity to mitigate its foreign currency risk. The Group limits foreign currency risk by monitoring changes in exchange rates in the currencies in which its loans and borrowings are denominated.

Subsequent Events

During the period subsequent to the reporting date the Group has entered in number of credit agreements primarily with Sberbank and Nomos Bank. The amount of financing raised is approximately US\$ 39.4 million. Loans are RUR and EUR denominated and mature from 3 months to 5 years and bear interest rates from 2.4% to 10.4% per annum.

In the beginning of 2013 the Group and Gazprom Neft have signed a three-year agreement for the conducting of seismic exploration work. The total area covered by the geophysical exploration under the contract may cover up to 5,000 square kilometers by the year 2015. The work will be performed using 3D technology, as well as the innovative UniQ high density seismic data acquisition technology. Over the past few years, the UniQ technology has been successfully used by leading foreign oil and gas companies for resource exploration at new greenfield areas with complicated geological structures, and for the additional exploration of existing brownfield areas that cannot be explored effectively using standard seismic exploration methods. The innovative UniQ technology will be used in the Russian Federation for the first time.

Directors' Responsibility Statement

The report and the attached Audited Consolidated Financial Statements, including the financial information contained herein, are the responsibility of, and have been approved by, the directors of the Group. The directors are responsible for ensuring that management prepares the Financial Report in accordance with the IFRS and the Listing Rules of the Financial Services Authority.

ANNEX I to

IG Seismic Services plc
MANAGEMENT'S REPORT ON 2012 RESULTS
For twelve months ended December 31, 2012

IG Seismic Services Limited

Pro forma income statement for the year ended 31 December 2011

(in thousands of US dollars)

	Note	Income statement for the		Pro forma adjustments and eliminations	Pro forma Income Statement*
		period from 1 January 2011 to 29 December 2011 for Geotech	year ended 31 December 2011 for IGSS		
Continuing operations					
Revenue	2	364,629	263,743	(12,027)	616,345
Cost of sales	3	(287,256)	(237,160)	1,821	(522,595)
Impairment of property, plant and equipment		-	(292)		(292)
Gross profit		77,373	26,291	(10,206)	93,458
General and administrative expenses	4	(50,779)	(47,188)	-	(97,967)
Other operating income	5	15,339	924	-	16,263
Other operating expense	5	(21,444)	(2,276)	-	(23,720)
Operating profit / (loss)		20,489	(22,249)	(10,206)	(11,966)
Finance income	6	2,197	445	-	2,642
Finance expense	6	(51,208)	(2,322)	-	(53,530)
Net foreign exchange loss		(1,837)	(499)	-	(2,336)
Share in (loss) / income of an associate		(4,735)	1	-	(4,734)
Loss before tax from continuing operations		(35,094)	(24,624)	(10,206)	(69,924)
Income tax expense	7	(8,551)	(306)	2,041	(6,816)
Loss for the year from continuing operations		(43,645)	(24,930)	(8,165)	(76,740)
Discontinued operations					
Loss after tax for the year from discontinued operations	8	(8,370)	-	-	(8,370)
Loss for the year		(52,015)	(24,930)	(8,165)	(85,110)

* a number of items presented in the 2011 pro forma income statement have been reclassified to ensure the comparability of information in the consolidated financial statements for the year ended on 31 December 2012.

1. Basis of preparation

The pro forma income statement for the year ended 31 December 2011 has been prepared for illustrative purposes only to show the effect of the combination of IG Seismic Services Limited ("IGSS") and CJSC Geotech Holding ("Geotech") as if it had occurred on January 1, 2011. The pro forma income statement, because of its nature, addresses a hypothetical situation and, therefore, does not reflect the Group's actual financial results had the combination been completed at the date assumed of any other date and should not be regarded as an indication of the operating results generated by the Group or its future financial results.

For the period to 30 December 2011 the Group had not constituted a separate legal group. Therefore this pro forma income statement was prepared on a basis that combines results of each of the entities constituting the Group by applying the principles underlying the consolidation procedures of IAS 27 (revised) 'Consolidated and Separate Financial Statements' ("IAS 27R") for the year ended 31 December 2011 as if the transaction had taken place on January 1, 2011.

The pro forma income statement has been prepared in a form consistent with the accounting policies adopted in the Group on the basis going forward. The accounting policies of IGSS and Geotech are consistent in all material aspects. Combined and consolidated financial statements of IG Seismic Services Limited which are the basis for the pro forma income statement in respect of historical financial information of IG Seismic Services and its subsidiaries have been prepared for the period from 1 January 2011 to 29 December 2011 for the purpose of presentation of seismic segment of Integra Group and its subsidiaries prior to the transaction which occurred on 30 December 2011. Management of the Group believes that omission of two days, i.e. 30 and 31 December 2011 does not have a material impact on the assessment of the Group's performance for the year ended 31 December 2011, except for the transaction itself which has not affected any of the items presented in this pro forma income statement. Certain items from combined and consolidated financial statements were reclassified to provide more detailed description of revenue earned and costs incurred.

This pro forma income statement has been prepared specifically for the purpose of the Prospectus for admission to trading on the regulated market of the London Stock Exchange and should be read in conjunction with (a) Consolidated financial statements of IG Seismic Services Limited as of and for the year ended 31 December 2011, 2010 and 2009 prepared in accordance with International Financial Reporting Standards ("IFRS"), which reflects the historical financial information of Geotech and, (b) Combined and consolidated financial statements IG Seismic Services Limited as of 29 December 2011 and for the period from 1 January 2011 to 29 December 2011, and as of and for the years ended 31 December 2010 and 2009 issued on 6 July 2012 prepared in accordance with International Financial Reporting Standards ("IFRS"), which reflects the historical financial information of IGSS. The pro forma income statement has been compiled on the basis set out below and in accordance with the requirements of items 1 to 6 of Annex II to the Commission Regulation (EC) 809/2004.

2. Revenue

	Historical information		Pro forma adjustments and eliminations	Pro forma Income statement
	Geotech	IGSS		
Field seismic operations	349,373	254,005	(12,027)	591,351
Processing and interpretation of geophysical information	9,451	9,652	-	19,103
Other revenue	5,805	87	-	5,892
Total	364,629	263,743	(12,027)	616,345

During the year OJSC "Integra Geophysics" (IGF), a subsidiary of IGSS, performed works under subcontract agreement with OJSC "Khantymansiyskgeofizika" (KHMG), a subsidiary of Geotech, which amounted to 12,027. The adjustment has been made to eliminate the revenue recorded in IGF and the respective costs recorded in KHMG (see Note 3).

3. Cost of sales

	Historical information		Pro forma adjustments and eliminations	Pro forma Income statement
	Geotech	IGSS		
Labor and wages, including mandatory social contribution	109,862	95,884	-	205,746
Materials and supplies	54,149	46,992	-	101,141
Depreciation of property, plant and equipment and amortization of intangible assets	30,022	35,509	10,206	75,737
Oilfield services from third parties	65,740	30,908	(12,027)	84,621
Transportation services	12,404	12,020	-	24,424
Operating lease payments	5,469	11,721	-	17,190
Loss from the contract in Yemen*	-	2,589	-	2,589
Other	9,610	1,537	-	11,147
Total	287,256	237,160	(1,821)	522,595

* Loss from the contract in Yemen

Pro forma adjustment to Depreciation of property, plant and equipment and amortization of intangible assets reflects additional depreciation arising from the impact of the purchase accounting adjustments in relation to the Geotech. This adjustment reflect the changes in the estimated fair value taking into account the estimated remaining useful life of the acquired tangible and intangible assets.

In December 2009, IGSS entered into a contract to perform seismic services in Yemen for a total contract price of \$9.0 million. From February 2011 there has been political unrest in Yemen and during this period IGSS had to suspend its operating activities and incur expenses related to maintaining its operating base in the country. Currently, the situation in Yemen appears to be stabilizing and IGSS expects to restart the work as soon as it stabilizes. Since the commencement of the contract IGSS incurred costs in the amount of \$6.9 million and expects to incur net loss in the amount of \$2.6 million till completion.

4. General and administrative expenses

	Historical information		Pro forma adjustments	Pro forma Income statement
	Geotech	IGSS		
Labor and wages, including mandatory social contribution	26,482	15,894	-	42,376
Depreciation of property, plant and equipment	5,852	1,289	-	7,141
Transaction related expenses	4,854	7,993	-	12,847
Consulting and fees payable to Integra Group	-	11,087	-	11,087
Third party services	1,788	1,829	-	3,617
Taxes, other than income tax	3,422	3,656	-	7,078
Bank charges	802	554	-	1,356
Operating lease payments	2,375	-	-	2,375
Other	5,204	4,886	-	10,090
Total	50,779	47,188	-	97,967

5. Other operating income and expenses

Other operating income comprised the following:

	Historical information		Pro forma adjustments	Pro forma Income statement
	Geotech	IGSS		
Penalties and fines received	426	-	-	426
Gain on disposals of property, plant and equipment and other non-current assets	865	57	-	922
Restoration of provision for tax claims	2,272	-	-	2,272
Other income	11,776	867	-	12,643
Total	15,339	924	-	16,263

Other operating expenses comprised the following:

	Historical information		Pro forma adjustments	Pro forma Income statement
	Geotech	IGSS		
Loss on disposals of property, plant and equipment and other non-current assets	16,417	-	-	16,417
Penalties and fines paid	1,428	599	-	2,027
Provision for claims from tax authorities	699	-	-	699
Other expenses	2,900	1,677	-	4,577
Total	21,444	2,276	-	23,720

6. Finance income and expenses

	Historical information		Pro forma adjustments	Pro forma Income statement
	Geotech	IGSS		
Interest received	942	445	-	1,387
Gain from redemption of promissory notes	1,255	-	-	1,255
Total finance income	2,197	445	-	2,642
Interest expense on loans and borrowings	35,841	2,322	-	38,163
Unwinding of discount of payables for the acquisition of subsidiaries	9,661	-	-	9,661
Bank charges on loans and loan accounts	1,670	-	-	1,670
Interest expense on finance lease	4,036	-	-	4,036
Total finance expenses	51,208	2,322	-	53,530

7. Income tax

Income tax expense comprised the following:

	Historical information		Pro forma adjustments	Pro forma Income statement
	Geotech	IGSS		
Income tax expense – current period	3,716	1,286	-	5,002
Income tax expense – prior period	6,880	-	-	6,880
Deferred income benefit	(2,045)	(980)	2,041	(984)
Total income tax expense	8,551	306	2,041	10,898

Pro forma adjustment to Deferred income tax benefit represents the tax effect of the pro forma adjustments discussed above taking into consideration the local jurisdictions and estimated income tax rates.

8. Discontinued Operations

Results of the discontinued operations and loss on disposal were as follows:

	For the period until the disposal in 2011
Revenue	25,987
Expenses	(29,527)
Operating loss	(3,540)
Finance costs	(2,462)
Loss before tax from a discontinued operation	(6,002)
Loss on disposal of discontinued operation	(4,533)
	(10,535)
Tax benefit:	
Related to current pre-tax profit	2,165
Loss from discontinued operations	(8,370)

9. EBITDA

EBITDA is a supplemental measure of the Group performance that is not defined or required by IFRS and may not be comparable to other similarly titled measures for other companies. We define EBITDA as operating profit from continuing operations before depreciation and amortization excluding any non-recurring transactions included within operating profit from continuing operations.

Calculation of EBITDA from operating profit/ (loss)

		Historical information		Pro forma adjustments	Pro forma Income statement
		Geotech	IGSS		
Profit/ (loss) from operating activities		20,489	(22,249)	(10,206)	(11,966)
Extraordinary loss from the contract in Yemen	3	-	2,589	-	2,589
Depreciation of property, plant and equipment	3, 4	35,405	34,573	10,206	80,184
Amortization of intangible assets	3, 4	469	2,223	-	2,692
Loss/ (gain) on disposal of non-current assets	5	15,552	(57)	-	15,495
Impairment of property, plant and equipment		-	292	-	292
Transaction related expenses	4	4,854	7,993	-	12,847
Consulting and fees payable to Integra Group	4	-	11,087	-	11,087
Redundancy expenses attributable to transaction		726	-	-	726
Elimination of Corporate overheads pertaining to discontinued operations		1,818	-	-	1,818
EBITDA		79,313	36,451	-	115,764