



IG Seismic Services PLC

**IG SEISMIC SERVICES ANNOUNCES  
AUDITED FINANCIAL AND OPERATIONAL RESULTS  
FOR THE TWELVE MONTHS OF 2014**

Moscow, 29 April 2015

**IG Seismic Services PLC (“IGSS” or the “Company”, LSE: IGSS), the leading pure-play land and transition zone seismic company in Russia and the CIS and one of the largest land seismic companies globally, announces its audited financial and operational results for the twelve months ended 31 December 2014.**

*During 2014, the Company changed the currency in which it presents its consolidated financial statements from US dollars to Russian Roubles to better reflect underlying performance. The Company's revenues, profits and cash flows are primarily generated in Russian Roubles, and are expected to remain principally denominated in Russian Roubles in the future.*

**Key Financial Results for the 12 Months of 2014**

	12m 2014	12m 2013	Change, %
<i>in million RUR, unless otherwise stated</i>			
Revenue	19,589	19,340	1.3%
Operating Profit	1,065	1,684	-36.7%
EBITDA	4,449	4,229	5.2%
<i>EBITDA margin</i>	22.7%	21.9%	80 bp
Normalized Net Profit *	205	358	-42.8%
Net (Loss) / Profit	(2,410)	(401)	--
Operating Cash Flow	3,425	4,168	-17.8%
Capital Expenditures	3,289	3,209	2.5%
Net Debt	15,185	12,761	19.0%

*\*In addition to the financial metrics and segment information disclosed in the Audited Consolidated Financial Statements, the Group presents normalization of the financial results for the year ended 31 December 2014 and 2013 for the effect of one-off and non-recurring items in addition to those affecting adjusted EBITDA and adjusted EBIT. For details please see the Management Report on 2014 Results.*

- Revenue amounted to RUR 19,589 mln, an increase of 1.3% year-on-year;
- Operating Profit decreased by 36.7% year-on-year and amounted to RUR 1,065 mln;
- EBITDA increased by 5.2% to RUR 4,449 mln. EBITDA margin increased by 80 bp year-on-year to 22.7% of sales compared to 21.9% of sales for the same period of 2013;
- Normalized Net Profit decreased by 42.8% and amounted to RUR 205 mln;
- Net loss amounted to RUR 2,410 mln;
- Operating Cash Flow decreased year-on-year by 17.8% to RUR 3,425 mln;
- Capital Expenditures for the twelve months of 2014 amounted to RUR 3,289 mln;
- As of 31 December 2014, net debt amounted to RUR 15,185 mln; gross debt amounted to RUR 16,392 mln; cash and cash equivalents amounted to RUR 1,207 mln;

### Key Operating Results for the 12 Months of 2014

- IGSS seismic crews performed 1,363 thousand shot points, out of which 273 thousand related to 2D surveys, 667 thousand to 3D surveys and 423 thousand to HD (high density) surveys; of which 1,180 thousand shot points were performed in Russia, 98 thousand - in Kazakhstan, and 85 thousand - in India and Uzbekistan.
- Total of 12 thousand linear kilometers related to 2D surveys, 9 thousand square kilometers related to 3D survey, 622 linear kilometers related to HD and 1,187 square kilometers related to HD were performed.
- As of 31 December 2014, the Company operated 58 field crews in Russia, Kazakhstan and certain other countries with 404,282 channels, 130 vibroseis sources, 169 pulse sources and 578 drilling units. The slight year-on-year decrease in the number of crews is due to the fact that several crews were consolidated for larger projects.
- As of 31 December 2014 the Company employed 12,845 employees.

<b>Kilometers</b>	<b>12m 2014</b>	<b>12m 2013</b>	<b>Change, %</b>
2D (km)	12,199	8,433	45%
3D (sq.km)	9,280	14,004	-34%
HD (km)	622	1,001	-38%
HD (sq.km)	1,187	1,140	4%
<b>Shot Points performed by IGSS crews</b>			
2D	273,395	215,548	27%
3D	666,780	952,314	-30%
HD	423,456	442,597	-4%
<b>TOTAL performed by IGSS crews</b>	<b>1,363,631</b>	<b>1,610,459</b>	<b>-15%</b>
<i>including</i>			
Russia	1,179,924	1,458,999	-19%
Kazakhstan	98,418	113,300	-13%
Other	85,289	38,160	124%
<b>TOTAL subcontracted</b>		<b>20,351</b>	<b>-100%</b>

## Order Book as of 31 December 2014

- As of 31 December 2014, the Company's seismic services order book amounted to RUR 30,322 million (inclusive of VAT), of which RUR 25,946 million (inclusive of VAT) accounted for signed contracts and RUR 4,376 million (inclusive of VAT) represented tenders won.
- The seismic services order book as of 31 December 2014 decreased by 10% compared to the order book as of 31 December 2013.
- As of 31 December 2014, the Company's DPI order book amounted to RUR 278 mln (inclusive of VAT) of signed contracts.
- The Group is still in the process of contracting for the 2015-2016 season. The current order book does not yet provide an accurate indication of 2015-2016 seismic revenues and trends could change.

## SEISMIC SERVICES

### Order Book as of 31 December 2014 (including VAT)

	<b>As of 31.12.2014</b>	<b>As of 31.12.2013</b>	<b>Ch.</b>
	<i>RUR mln</i>	<i>RUR mln</i>	<i>RUR, %</i>
<b>Western Siberia</b>	9 908	11 635	-15%
<b>Eastern Siberia</b>	11 436	14 034	-19%
<b>Timano-Pechora</b>	4 934	5 836	-15%
<b>South of Russia</b>	3 424	520	558%
<b>Kazakhstan</b>	0	113	--
<b>Other (India and Azerbaijan)</b>	620	1 533	-60%
<b>TOTAL, including</b>	<b>30 322</b>	<b>33 671</b>	<b>-10%</b>
Contracts signed*	25 946	27 525	-6%
Tenders won, contracts to be signed	4 376	6 146	-29%

### Order Book as of 31 December 2014 Breakdown by Year (including VAT)

	<b>As of 31.12.2014</b>
	<i>RUR mln</i>
<b>2015</b>	23 152
<b>2016</b>	7 170
<b>TOTAL</b>	<b>30 322</b>

## SEISMIC DATA PROCESSING AND INTERPRETATION

### Order Book as of 31 December 2014 (including VAT)

	<b>As of 31.12.2014</b>	<b>As of 31.12.2013</b>	<b>Ch.</b>
	<i>RUR mln</i>	<i>RUR mln</i>	<i>RUR, %</i>
Contracts signed*	278	306	-9%
Tenders won, contracts to be signed	0	78	--
<b>TOTAL</b>	<b>278</b>	<b>384</b>	<b>-28%</b>

\*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 Update as of 1 March 2015

- As of 1 March 2015, the Company's seismic services order book amounted to RUR 26,795 mln (inclusive of VAT), of which RUR 23,051 mln accounted for signed contracts and RUR 3,744 mln represented tenders won.
- The seismic services order book as of 1 March 2015 decreased in RUR terms by 13% compared to the order book as of 1 March 2014.
- As of 1 March 2015, the Company's Data Processing and Interpretation (DPI) order book amounted to RUR 228 mln (inclusive of VAT) of signed contracts.
- The Group is still in the process of contracting for the 2015-2016 season. The current order book does not yet provide an accurate indication of 2015-2016 seismic revenues and trends could change.

## SEISMIC SERVICES

### Order Book as of 1 March 2015 (including VAT)\*

	As of 01.03.2015	As of 01.03.2014	Ch.
	<i>RUR mln</i>	<i>RUR mln</i>	<i>RUR, %</i>
Western Siberia	8 851	11 043	-20%
Eastern Siberia	9 882	12 602	-22%
Timano-Pechora	4 190	5 328	-21%
South of Russia	3 290	364	804%
Kazakhstan	0	107	--
Other (India and Azerbaijan)	582	1 399	-58%
<b>TOTAL, including</b>	<b>26 795</b>	<b>30 843</b>	<b>-13%</b>
Contracts signed*	23 051	18 888	22%
Tenders won, contracts to be signed	3 744	11 955	-69%

### Order Book as of 1 March 2015 Breakdown by Year (including VAT)

	As of 01.03.2015
	<i>RUR mln</i>
2015	19 625
2016	7 170
<b>TOTAL</b>	<b>26 795</b>

## SEISMIC DATA PROCESSING AND INTERPRETATION

### Order Book as of 1 March 2015 (including VAT)

	As of 01.03.2015	As of 01.03.2014	Ch.
	<i>RUR mln</i>	<i>RUR mln</i>	<i>RUR, %</i>
Contracts signed*	228	379	-40%
Tenders won, contracts to be signed	0	120	--
<b>TOTAL</b>	<b>228</b>	<b>499</b>	<b>-54%</b>

\*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.

**Nikolay Levitskiy, IGSS Chief Executive Officer, commented:**

“2014 was a challenging but highly rewarding year for our company. We have started a major restructuring aimed at improving the efficiency of the Group. As part of the organizational development Geotech Holding transferred control of the operating activities to the largest geophysical company Geotech Seismic Services, part of the holding company.

In 2014 the Russian economy was negatively impacted by a significant drop in crude oil prices and the devaluation of the Russian Rouble, as well as sanctions imposed on Russia by several countries. Also, in December 2014, domestic interest rates increased significantly after the Central Bank of Russia raised its key rate. The combination of the above affected the Group’s performance and resulted in a loss for the year of RUR 2,410 mln. However, despite the difficult economic situation in Russia, geopolitical tensions, lower oil prices, rising interest rates and the weakening of the rouble, the company’s revenue increased by 1.3% and amounted to RUR 19,589, and EBITDA increased by 5.2% to RUR 4,449 mln. We are taking all appropriate measures to support the sustainability of the Group’s business in the current circumstances.

We have successfully started the 2014-2015 season and promptly mobilized our seismic crews. In addition, as previously reported, the Company is actively working to reduce seasonal effects on the business by increasing the amount of work completed during the warmer months of the year.

Currently we are completing field works for the 2014-2015 season and contracting for future seasons. Our order book as of March 01, 2015 decreased by 13% year-on-year, which is explained by the completion of three year contracts signed in 2012. We plan to enter into new long-term contracts this year and we expect that by the end of 2015 our order book will increase.”

Consolidated Financial Statements of IGSS and Management Report are available on the website at <http://igseis.com/en/investor-relations/financial-and-operational-results>. The Company’s presentation is available at <http://www.igseis.com/en/investor-relations/presentations>.

**Conference Call Dial-In Details 2014FY Results:**

**Date:** Wednesday, April 29, 2015

**Time:** 12:00 Moscow / 10:00 London

**UK international dial-in number:** +44 (0) 1452 555566

**Conference ID:** 33820652

<b>Participant FreeCall dial-in numbers</b>	<b>Participant LocalCall dial-in numbers</b>
Finland 0800112363	Finland, Helsinki 0923195187
France 0805632056	France, Paris 0176742428
Germany 08001014960	Germany, Frankfurt 06922224918
Russia 81080020972044	Russia, Moscow 4996771036
Sweden 0200890171	Sweden, Stockholm 0850336434
Switzerland 0800828006	Switzerland, Baden 0565800007
United Kingdom 08006940257	United Kingdom, London 08444933800
United States 18669669439	United States, New York 16315107498

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