



IG Seismic Services PLC

**IG SEISMIC SERVICES ANNOUNCES  
AUDITED FINANCIAL AND OPERATIONAL RESULTS  
FOR THE TWELVE MONTHS OF 2015**

Moscow, 28 April 2016

**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 2015.**

**Key Financial Results for the 12 Months of 2015**

	12m 2015	12m 2014	Change, %
<i>in million RUR, unless otherwise stated</i>			
Revenue	18,805	19,589	-4.0%
EBITDA	4,016	4,449	-9.7%
EBITDA margin	21.4%	22.7%	-135 bp
Net Loss*	(2,123)	(2,410)	-11.9%
Operating Cash Flow	1,335	3,425	-61.0%
Capital Expenditures	1,941	3,289	-41.0%
Net Debt	17,218	15,185	13.4%

*\*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 2015 and 2014 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 2015 Results.*

- Revenue amounted to RUR 18,805 mln, a decrease of 4.0% year-on-year;
- EBITDA decreased by 9.7% to RUR 4,016 mln. EBITDA margin decreased by 135 bp year-on-year to 21.4% of sales compared to 22.7% of sales for the same period of 2014;
- Net loss decreased by 11.9% and amounted to RUR 2,123 mln;
- Operating Cash Flow decreased year-on-year by 61.0% to RUR 1,335 mln;
- Capital Expenditures for the twelve months of 2015 amounted to RUR 1,941 mln;
- As of 31 December 2015, net debt amounted to RUR 17,218 mln; gross debt amounted to RUR 17,536 mln; cash and cash equivalents amounted to RUR 318 mln.

### Key Operating Results for the 12 Months of 2015

- IGSS seismic crews performed 1,473 thousand shot points, out of which 316 thousand related to 2D surveys, 797 thousand to 3D surveys and 360 thousand to HD (high density) surveys; of which 1,337 thousand shot points were performed in Russia, 44 thousand - in Kazakhstan, and 92 thousand - in other countries.
- Total of 13 thousand linear kilometers related to 2D surveys, 10 thousand square kilometers related to 3D survey and 1,246 square kilometers related to HD were performed.
- As of 31 December 2015, the Company operated 52 field crews in Russia, Kazakhstan and certain other countries with 396,318 channels, 147 vibroseis sources, 165 pulse sources and 546 drilling units.
- As of 31 December 2015 the Company employed 10,837 employees.

Kilometers	12m 2015	12m 2014	Change, %
2D (km)	12,802	12,199	5%
3D (sq.km)	10,444	9,280	13%
HD (km)	-	622	-100%
HD (sq.km)	1,246	1,187	5%
<b>Shot Points performed by IGSS crews</b>			
2D	315,580	273,395	15%
3D	797,234	666,780	20%
HD	359,725	423,456	-15%
<b>TOTAL performed by IGSS crews</b>	<b>1,472,539</b>	<b>1,363,631</b>	<b>8%</b>
<i>including</i>			
Russia	1,336,720	1,179,924	13%
Kazakhstan	43,564	98,418	-56%
Other	92,255	85,289	8%

## Order Book as of 31 December 2015

- As of 31 December 2015, the Company's seismic services order book amounted to RUR 28,762 million (inclusive of VAT), of which RUR 22,856 million (inclusive of VAT) accounted for signed contracts and RUR 5,906 million (inclusive of VAT) represented tenders won.
- The seismic services order book as of 31 December 2015 decreased by 5% compared to the order book as of 31 December 2014.
- As of 31 December 2015, the Company's DPI order book increased by 112% compared to the results of 2014 and amounted to RUR 590 mln (inclusive of VAT).
- The Group is still in the process of contracting for the 2016-2017 and 2017-2018 season. The current order book does not yet provide an accurate indication of 2016-2017 and 2017-2018 seismic revenues and trends may change.

## SEISMIC SERVICES

### Order Book as of 31 December 2015 (including VAT)

	<b>As of 31.12.2015</b>	<b>As of 31.12.2014</b>	<b>Ch.</b>
	<i>RUR mln</i>	<i>RUR mln</i>	<i>RUR, %</i>
<b>Western Siberia</b>	9,169	9,908	-7%
<b>Eastern Siberia</b>	9,082	11,436	-21%
<b>Timano-Pechora</b>	7,578	4,934	54%
<b>South of Russia</b>	2,834	3,424	-17%
<b>Kazakhstan</b>	99	0	100%
<b>International projects</b>	-	620	-100%
<b>TOTAL, including</b>	<b>28,762</b>	<b>30,322</b>	<b>-5%</b>
Contracts signed*	22,856	25,946	-12%
Tenders won, contracts to be signed	5,906	4,376	35%

### Order Book as of 31 December 2015 Breakdown by Year (including VAT)

	<b>As of 31.12.2015</b>
	<i>RUR mln</i>
<b>2016</b>	16,216
<b>2017</b>	7,801
<b>2018</b>	4,745
<b>TOTAL</b>	<b>28,762</b>

## SEISMIC DATA PROCESSING AND INTERPRETATION

### Order Book as of 31 December 2015 (including VAT)

	<b>As of 31.12.2015</b>	<b>As of 31.12.2014</b>	<b>Ch.</b>
	<i>RUR mln</i>	<i>RUR mln</i>	<i>RUR, %</i>
Contracts signed*	536	278	93%
Tenders won, contracts to be signed	54	0	100%
<b>TOTAL</b>	<b>590</b>	<b>278</b>	<b>112%</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 2016

- As of 1 March 2016, the Company's seismic services order book amounted to RUR 24,604 mln (inclusive of VAT), of which RUR 20,919 mln accounted for signed contracts and RUR 3,685 mln represented tenders won.
- The seismic services order book as of 1 March 2016 decreased in RUR terms by 8% compared to the order book as of 1 March 2015.
- As of 1 March 2016, the Company's Data Processing and Interpretation (DPI) order book increased by 129% compared to 1 March 2015 and amounted to RUR 523 mln (inclusive of VAT) of signed contracts.
- The Group is still in the process of contracting for the 2016-2017 and 2017-2018 season. The current order book does not yet provide an accurate indication of 2016-2017 and 2017-2018 seismic revenues and trends may change.

## SEISMIC SERVICES

### Order Book as of 1 March 2016 (including VAT)\*

	As of 01.03.2016	As of 01.03.2015	Ch.
	<i>RUR mln</i>	<i>RUR mln</i>	<i>RUR, %</i>
Western Siberia	7,173	8,851	-19%
Eastern Siberia	8,370	9,882	-15%
Timano-Pechora	6,024	4,190	44%
South of Russia	2,739	3,290	-17%
Kazakhstan	99	0	100%
International projects	199	582	-66%
<b>TOTAL, including</b>	<b>24,604</b>	<b>26,795</b>	<b>-8%</b>
Contracts signed*	20,919	23,051	-9%
Tenders won, contracts to be signed	3,685	3,744	-2%

### Order Book as of 1 March 2016 Breakdown by Year (including VAT)

	As of 01.03.2016
	<i>RUR mln</i>
2016	11,646
2017	8,336
2018	4,622
<b>TOTAL</b>	<b>24,604</b>

## SEISMIC DATA PROCESSING AND INTERPRETATION

### Order Book as of 1 March 2016 (including VAT)

	As of 01.03.2016	As of 01.03.2015	Ch.
	<i>RUR mln</i>	<i>RUR mln</i>	<i>RUR, %</i>
Contracts signed*	523	228	129%
Tenders won, contracts to be signed	0	0	--
<b>TOTAL</b>	<b>523</b>	<b>228</b>	<b>129%</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:**

“2015 was challenging but quite eventful year for our company. We have continued a major restructuring aimed at improving the efficiency of the Group. The Company also welcomed two new strategic investors in the shareholding structure at the end of the year.

In 2015 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. The combination of the above affected the Group’s performance and resulted in a loss for the year of RUR 2,123 mln. Because of the difficult economic situation in Russia, geopolitical tensions, lower oil prices, rising interest rates and the weakening of the ruble, the Company's revenue decreased by 4,0% and amounted to RUR 18,805 mln RUR, and EBITDA decreased by 9.7% to RUR 4,016 mln. We are taking all appropriate measures to support the sustainability of the Group’s business in the current circumstances.

We have successfully started 2016-2017 season and promptly mobilized our seismic crews. 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 2015-2016 season and contracting for future seasons - our order book as of March 01, 2016 amounted to 25 bln. RUR. We plan to enter into new long-term contracts this year and we expect that by the end of 2016 our order book will increase.

The company is constantly striving to develop and implement technologies that enable to adapt the seismic services to complexity of the surface conditions, explore deeper levels and more complex reservoirs. In 2015 as pioneers in the country we conducted experimental work with cableless telemetry system operating in real time, which will extend the range of potential seismic survey by environmentally sensitive areas, with a minimum negative impact on the environment - the project of “green seismic”.

Consolidated Financial Statements of IGSS and Management Report are available on the website at <http://igseis.com/en/investor-relations/financial-and-operational-results>.

## **Contacts**

For further information please visit [www.igseis.com](http://www.igseis.com) or contact:

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