



# Integra: 9M 2010 Performance Update

December, 2010

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**Consolidated Revenue 9M2010 – US\$ 616.0 MM**  
**Adjusted EBITDA <sup>(1)</sup> 9M2010 – US\$ 100.0 MM**  
**Adjusted EBITDA margin 9M2010 – 16.2%**

	Drilling, Workover, IPM	Technology Services <sup>(2)</sup>	Formation Evaluation
<b>Revenue 9M2010</b> <b>Adj. EBITDA 9M2010</b> <b>Adj. EBITDA margin 9M2010</b>	<ul style="list-style-type: none"> <li>US\$ 283.3 MM</li> <li>US\$ 40.9 MM</li> <li>14.4%</li> </ul>	<ul style="list-style-type: none"> <li>US\$ 169.1 MM</li> <li>US\$ 51.8 MM</li> <li>30.6%</li> </ul>	<ul style="list-style-type: none"> <li>US\$ 171.7 MM</li> <li>US\$ 29.3 MM</li> <li>17.1%</li> </ul>
<b>Key Services</b>	<ul style="list-style-type: none"> <li>Drilling rig management</li> <li>Workover</li> <li>Integrated Project Management</li> </ul>	<ul style="list-style-type: none"> <li>Coil tubing</li> <li>Directional drilling</li> <li>Cementing</li> <li>Well logging</li> <li>Drilling tools manufacturing</li> <li>Drill bits service</li> <li>Cementing complexes manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>2-D, 3-D seismic surveys</li> <li>Seismic processing and interpretation</li> <li>Transition zone seismic surveys</li> </ul>
<b>Personnel <sup>(3)</sup></b>	<ul style="list-style-type: none"> <li>Ca. 4,600 employees</li> </ul>	<ul style="list-style-type: none"> <li>Ca. 4,400 employees</li> </ul>	<ul style="list-style-type: none"> <li>Ca. 5,700 employees</li> </ul>
<b>Production Assets 9M2010</b>	<ul style="list-style-type: none"> <li>26 active drilling rigs</li> <li>90 workover crews</li> </ul>	<ul style="list-style-type: none"> <li>4 coil tubing units</li> <li>10 directional drilling crews</li> <li>10 cementing fleets</li> <li>45 logging crews</li> <li>3 drilling tools production sites</li> </ul>	<ul style="list-style-type: none"> <li>30 seismic crews</li> <li>4 processing and interpretation facilities in Russia and Kazakhstan</li> <li>CIS assets of WesternGeco</li> </ul>
<b>Operating Statistics 9M2010</b>	<ul style="list-style-type: none"> <li>262 th meters drilled</li> <li>2,502 workover operations</li> </ul>	<ul style="list-style-type: none"> <li>171 coil tubing operations</li> <li>796 cementing operations</li> <li>189 wells completed with directional drilling service</li> <li>246 downhole motors, 60 turbines and 7 cementing units produced</li> </ul>	<ul style="list-style-type: none"> <li>576 th seismic shot points</li> </ul>
<b>Key Customers</b>			

(1) Adjusted EBITDA represents profit (loss) before interest income (expense), foreign exchange translation differences, income taxes, depreciation and amortization, goodwill impairment, share-based compensation, share of results in associates, results from disposal of property, plant & equipment and minority interest

(2) Following the completion of the sale of ZAO URBO, the Company discontinued reporting under the OFS Equipment Manufacturing segment and merged the results of operations of the remaining manufacturing assets with its Technology Services segment

(3) Personnel data as of October, 2010

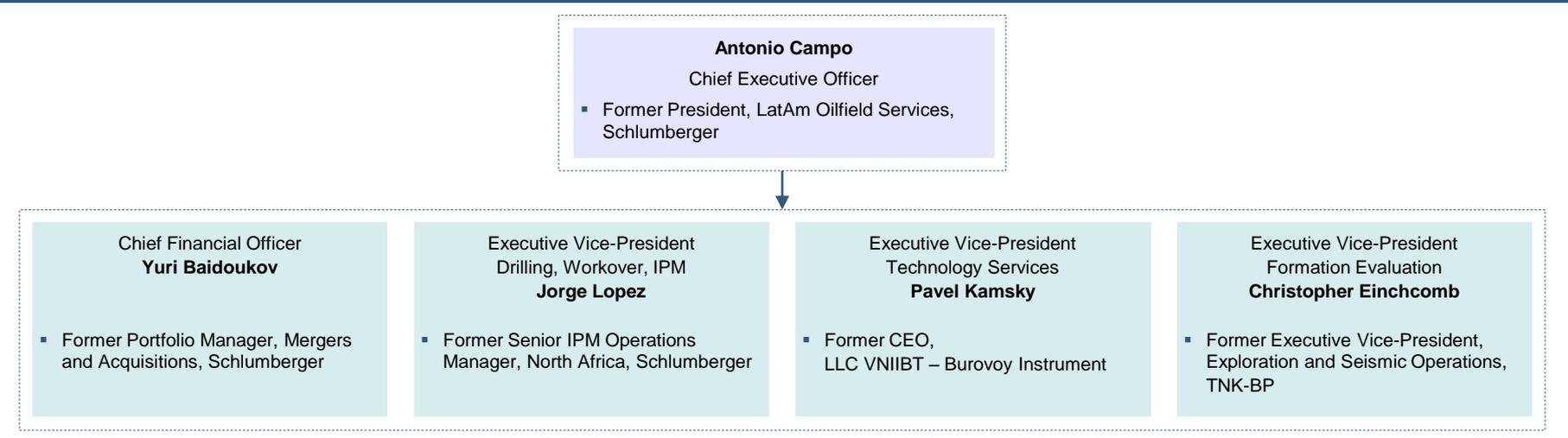
## Board of Directors



## Shareholder Structure



## Recent Strengthening of Management Team



# Key Financial Highlights

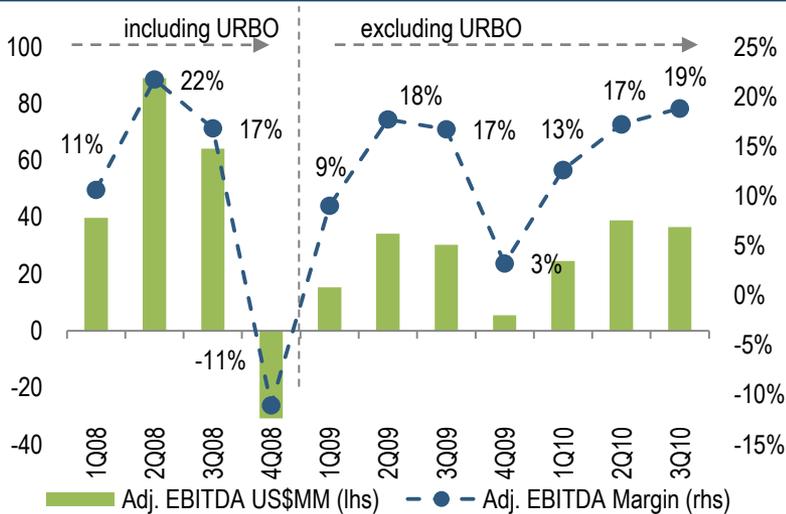


## Key Financial Highlights, US\$MM

	2008	2009	Chg, % 2009/ 2008	1H09 <sup>(1)</sup>	1H10 <sup>(1)</sup>	Chg, % 1H10/ 1H09	9M09 <sup>(1)</sup>	9M10 <sup>(1)</sup>	Chg, % 9M10/ 9M09
Revenue	1,446	836	-42%	363	421	+16%	544	616	+13%
Operating profit	(193)	(76)	-60%	(9)	4	n/m			
Adj. EBITDA	162	109	-33%	49	62	+27%	80	100	+25%
Adj. EBITDA margin	11.2%	13.1%		13.4%	14.7%		14.7%	16.2%	
Net Loss from Continued Operations				(24)	(23)	-5%			
Net Loss	(272)	(119)	-56%	(22)	(30)	+36%			
Operating Cashflow	135	118	-13%	50	35	-30%	77	37	-52%
Capex	158	44	-72%	20	26	+31%	30	36	+20%

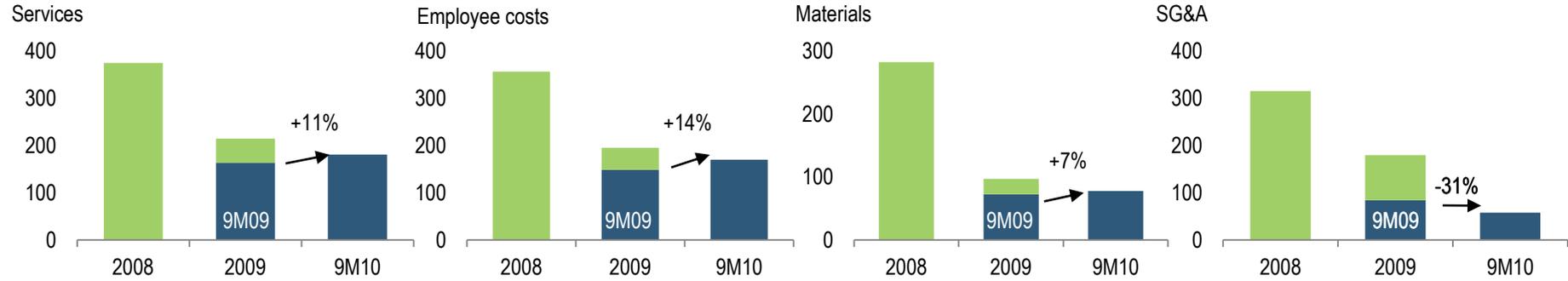
Source: Company

## Consolidated Adj. EBITDA and Margin <sup>(2)</sup>



Source: Company

## Cost Dynamics, US\$MM

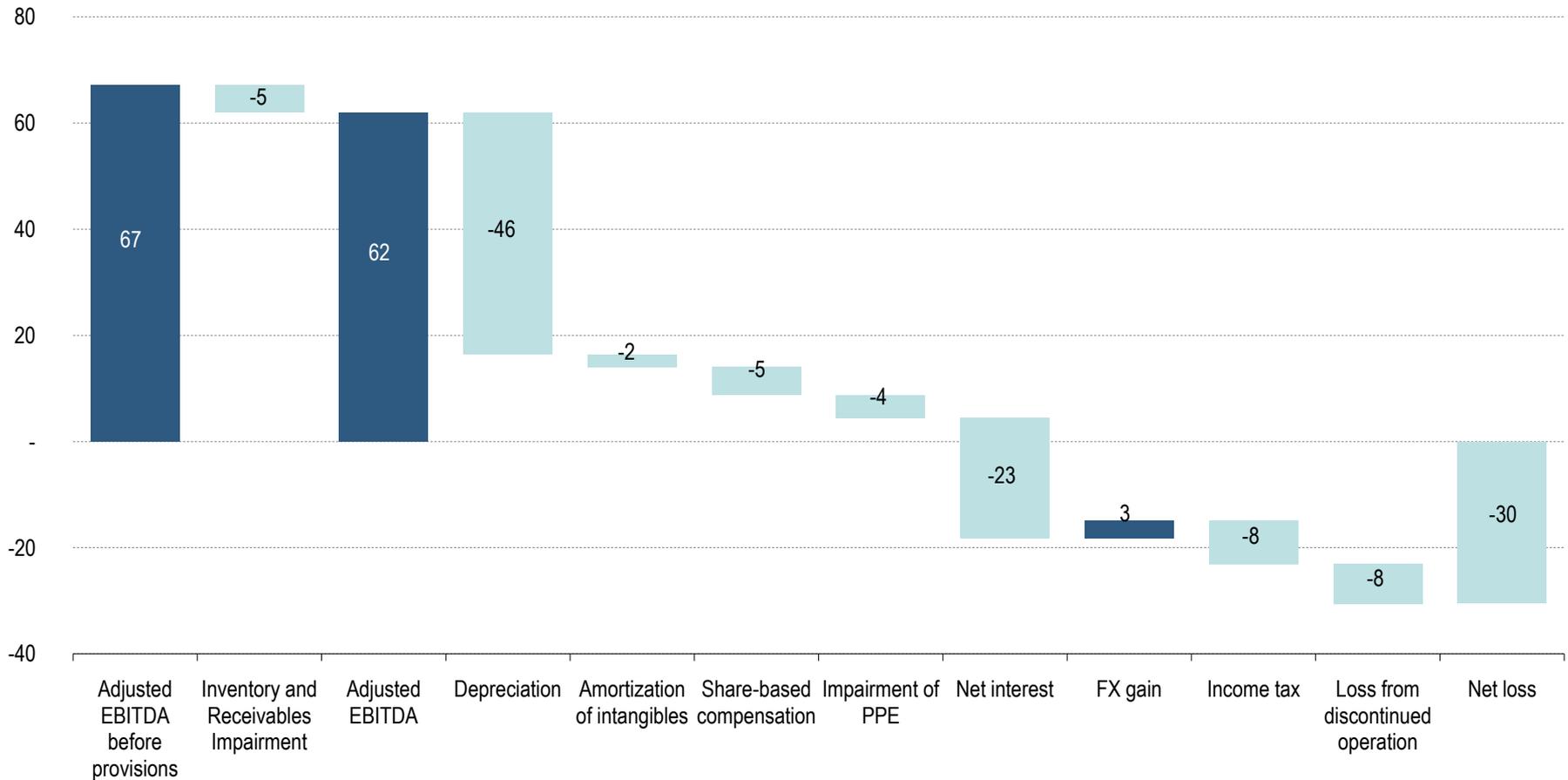


(1) Excluding results of ZAO URBO  
 (2) The results of ZAO URBO are eliminated starting from 1Q09

# 1H2010 Adjusted EBITDA to Net Loss Reconciliation

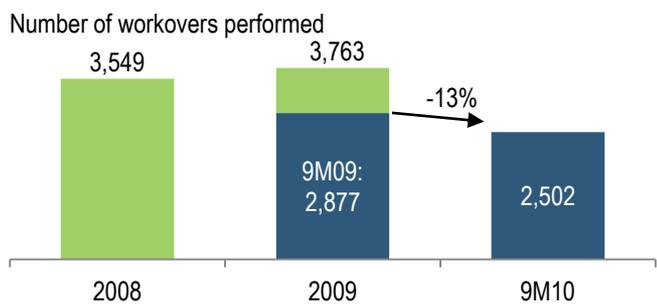
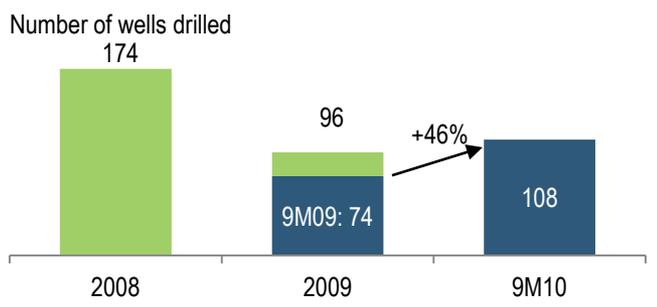
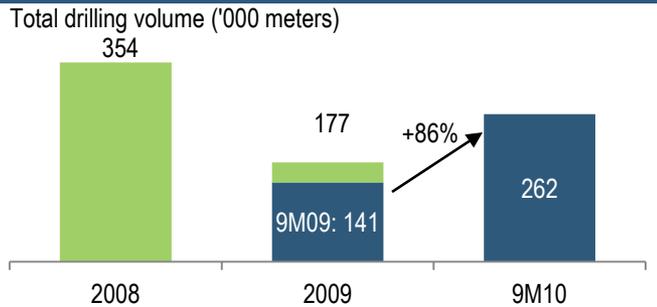


Adj. EBITDA to Net Loss Reconciliation, US\$MM

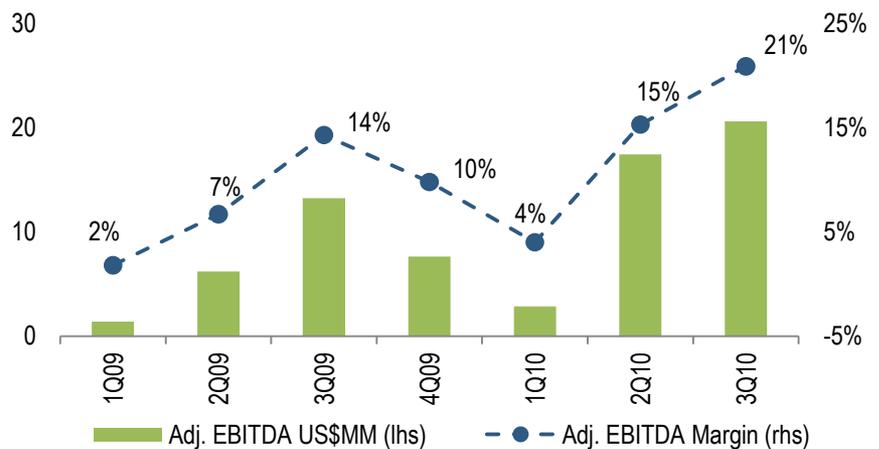


Source: Company

## Operating Performance



## Quarterly Earnings Dynamics \*



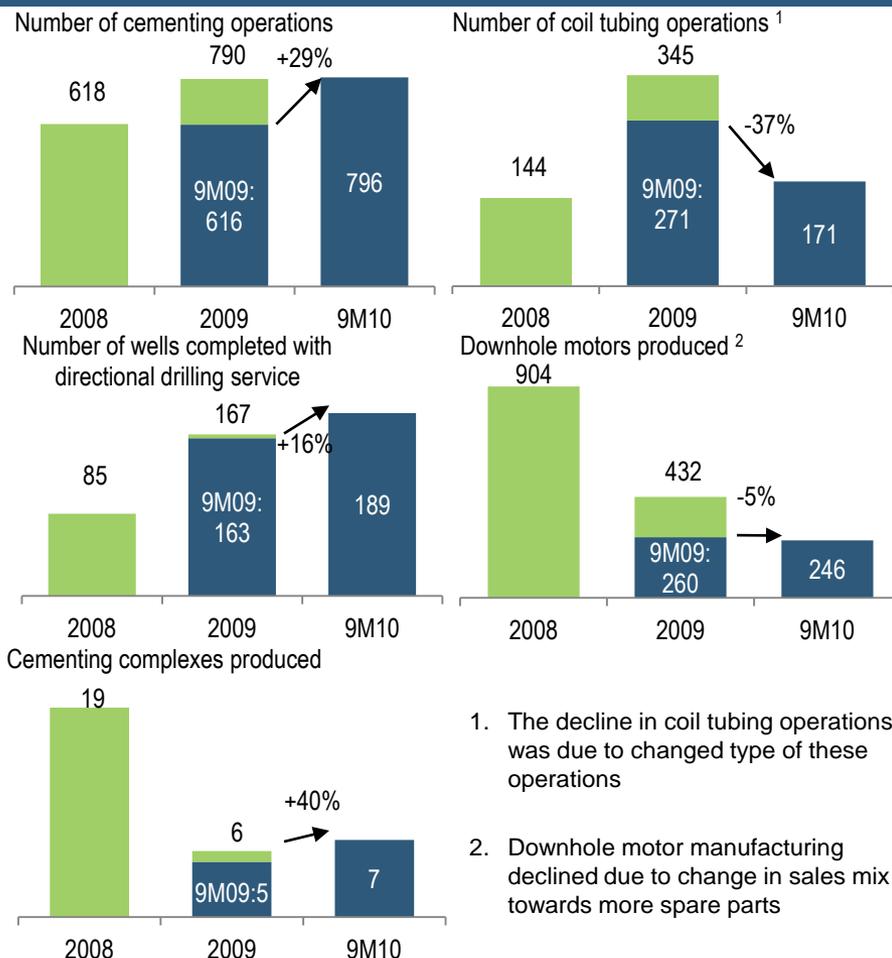
## Comments

- Segment Revenue: ~ 45% of 9M10 Cons. Revenue
- Segment Adj. EBITDA: ~ 34% of 9M10 Cons. Adj. EBITDA
- Revenue increased due to growth in the volume of drilling services triggered by better demand and stronger ruble, which was partially offset by lower IPM and workover volumes due to weather conditions
- Adj. EBITDA margin increased due to better efficiency of the drilling and IPM services following major changes in the process management of this segment

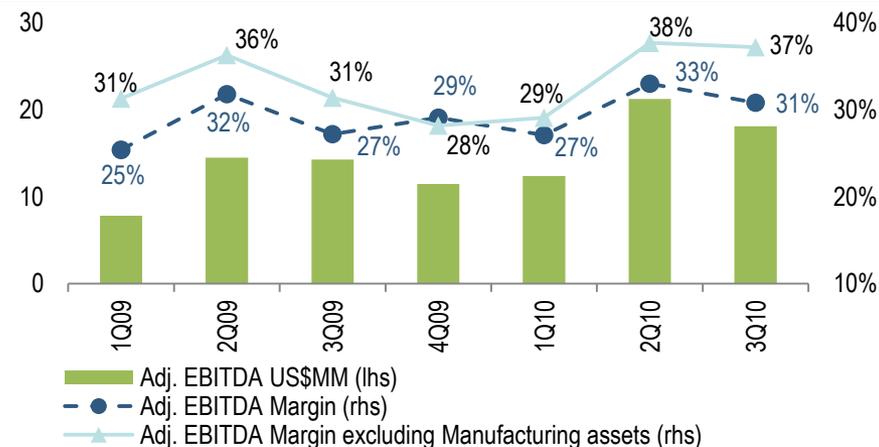
\* Segment Adjusted EBITDA includes SG&A expenses which were previously allocated to corporate/holding company level

Source: Company

## Operating Performance



## Quarterly Earnings Dynamics \*\*



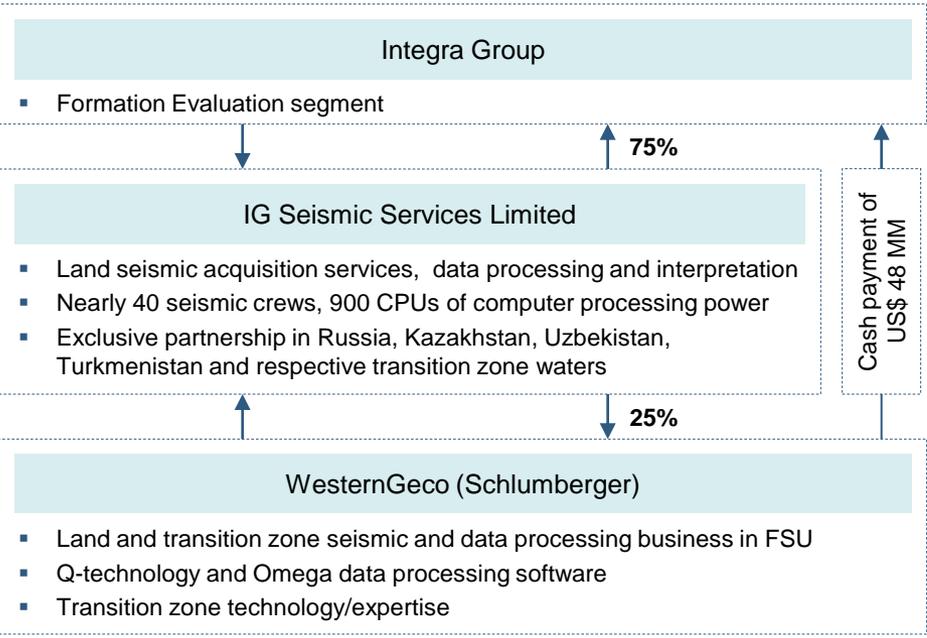
## Comments

- Segment Revenue: ~ 27% of 9M10 Cons. Revenue
- Segment Adj. EBITDA: ~ 42% of 9M10 Cons. Adj. EBITDA
- Revenue increased due to increased demand for cementing and directional drilling services, sharp growth in well logging and perforation services, increased production of drilling tools and cementing complexes, and stronger ruble
- Adj. EBITDA margin increased due to a moderate improvement in efficiency in all technology services, except in the drilling tools manufacturing subsegment (margin was flat)

\* Following the completion of the sale of ZAO URBO, the Company discontinued reporting under the OFS Equipment Manufacturing segment and merged the results of operations of the remaining manufacturing assets with its Technology Services segment

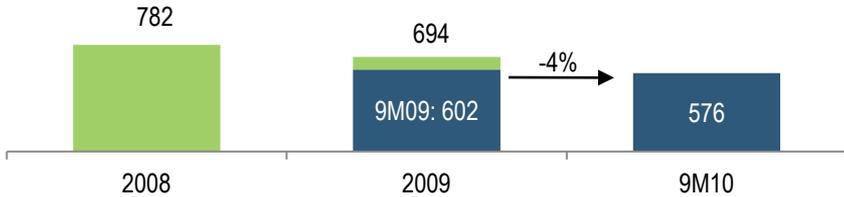
\*\* Segment Adjusted EBITDA includes SG&A expenses which were previously allocated to corporate/holding company level

## Seismic Joint Venture with WesternGeco (Schlumberger)

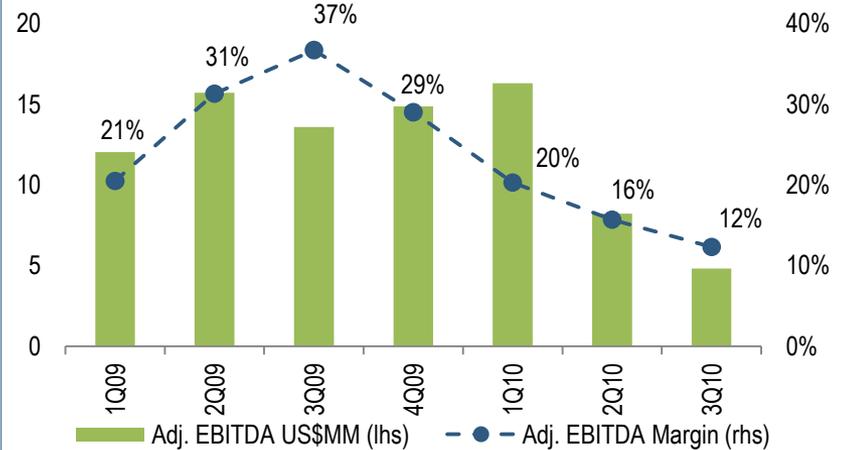


## Operating Performance

Seismic shot points made ('000)



## Quarterly Earnings Dynamics \*



## Comments

- Segment Revenue: ~ 28% of 9M10 Cons. Revenue
- Segment Adj. EBITDA: ~ 24% of 9M10 Cons. Adj. EBITDA
- Revenue increased due to growth in the volume of seismic surveys conducted in Russia triggered by improving demand, and stronger ruble
- Adj. EBITDA margin declined due to lower pricing in Russia, completion of high-margin vibrator projects in Kazakhstan and launch delays on certain projects in Russia

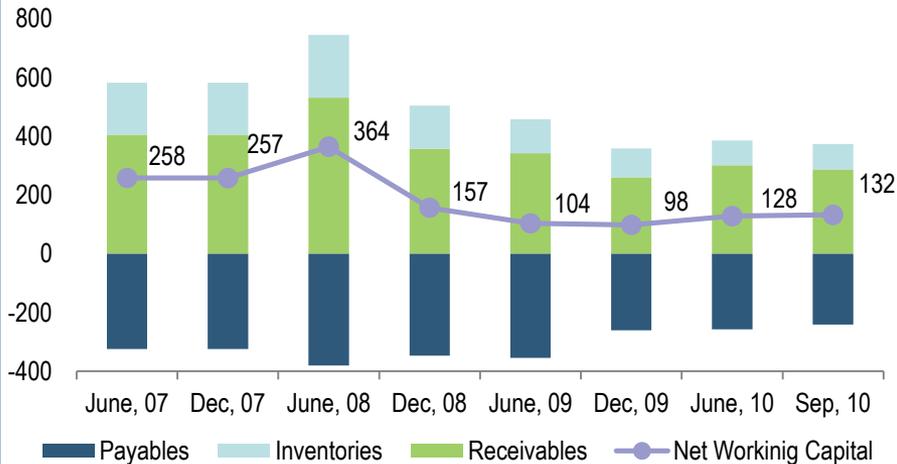
\* Segment Adjusted EBITDA includes SG&A expenses which were previously allocated to corporate/holding company level

Source: Company

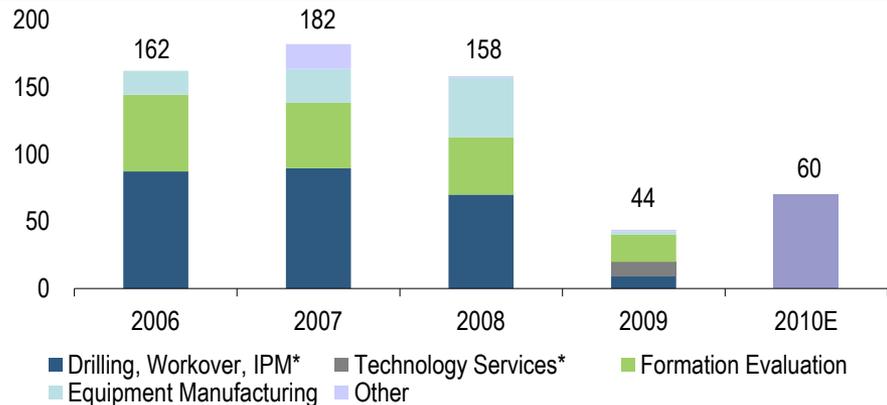
# Cash Flow and Working Capital Trends



## Working Capital by Element, US\$MM



## Capex, US\$MM



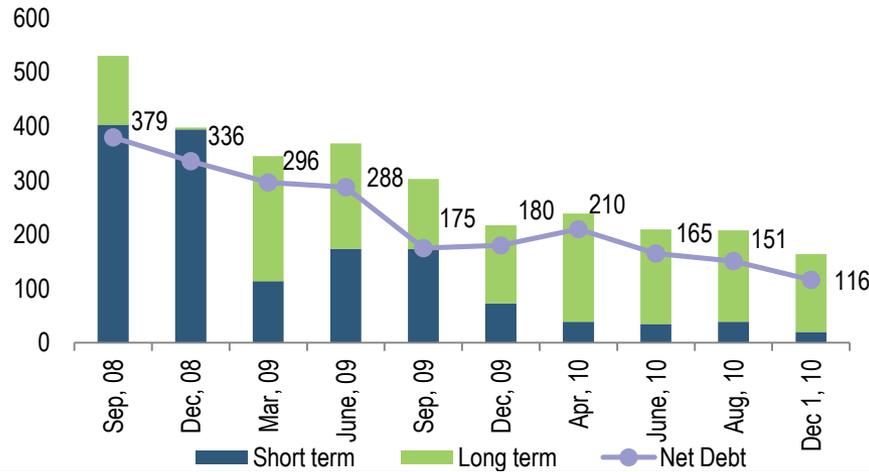
\* Capital expenditures are presented jointly for Drilling, Workover & IPM and Technology Services segments until 2009

## Comments

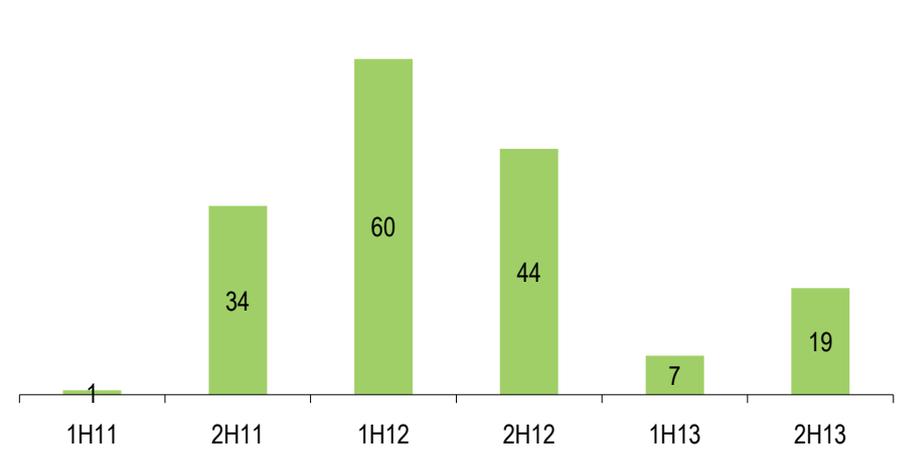
- In 9M2010 net cash generated from operating activities was US\$ 37.1 MM (vs. US\$ 77.0 MM in 9M2009)
- 9M2010 free cash flow was US\$ 0.8 MM (vs. US\$ 46.8 MM in 9M2009)
- Capital expenditures for 9M2010 were US\$ 36.3 MM (vs. US\$ 30.2 MM in 9M2009)

Source: Company

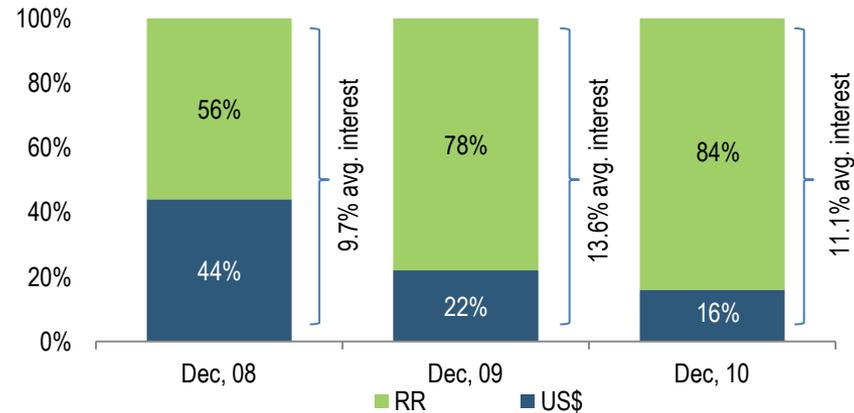
## Debt Structure Optimization, US\$MM



## Debt Maturity Schedule, US\$MM



## Debt Interest Cost and Currency Breakdown



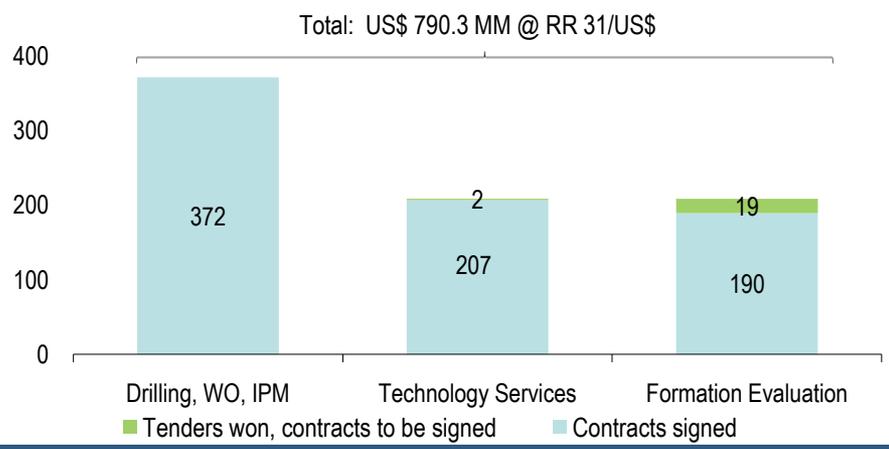
## Comments

- Almost all of the remaining debt is long term
- For the last 2 months the Company has signed agreements for new roll over credit lines for the amount of approx. US\$ 44 MM

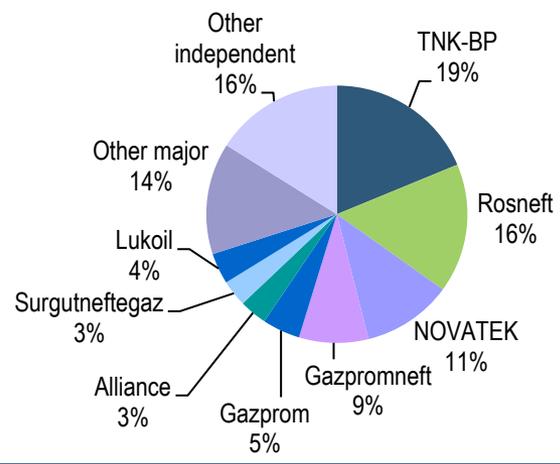
# Order Book Status (Excluding URBO)



## 2010 Order Book as of December 6, 2010, US\$MM \*

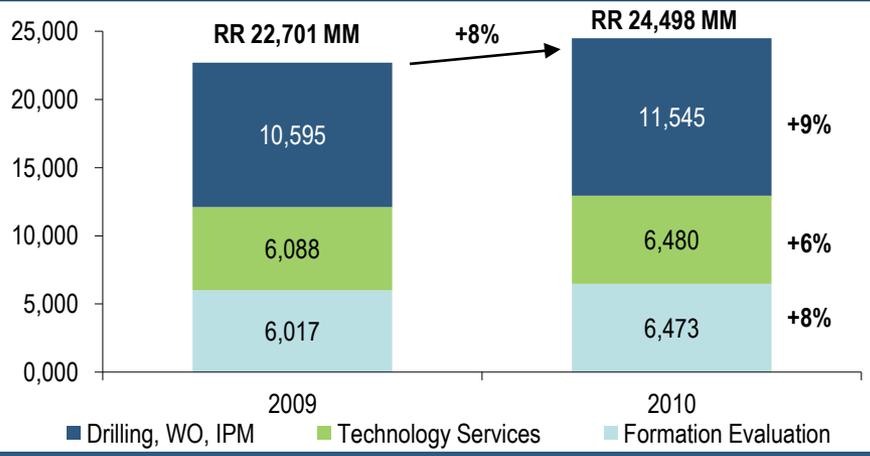


## 2010 Order Book (by Customer)



\* Current order book also includes volumes of Integra Trade House (+ US\$ 2.4 MM)

## Order Book 2010/2009 Comparison, RRMM



## Comments

- Order book is up 8% in Rubles YoY
- We have entered into an active contracting stage for business in 2011. The trends in the 2011 tendering campaign are quite encouraging.
- Order book comparison excludes order book of divested URBO and Integra Trade House (operations to be discontinued)

Source: Company