

Diese Meldung kann unter <http://www.presseportal.de/pm/61923/1672443/eans-news-c-a-t-oil-ag-c-a-t-oil-enters-h2-with-confidence-after-significant-increase-in-earnings> abgerufen werden.



**EANS-News: C.A.T. oil AG**  
**C.A.T. oil enters H2 with confidence after**  
**significant increase in earnings and profitability**

30.08.2010 - 08:01 Uhr, C.A.T. oil AG

- EBITDA up 19.7% YoY to EUR 26.8 million - The EBITDA margin expanded to 24.7% - Earnings for FY 2010 expected to exceed prior year's level - Capital expenditure program extended to prepare for increasing demand in H2 2010 and beyond

-----  
Corporate news transmitted by euro adhoc. The issuer/originator is solely responsible for the content of this announcement.  
-----

quarterly report/Half-Year-Report

Subtitle: - EBITDA up 19.7% YoY to EUR 26.8 million - The EBITDA margin expanded to 24.7% - Earnings for FY 2010 expected to exceed prior year's level - Capital expenditure program extended to prepare for increasing demand in H2 2010 and beyond

Wien (euro adhoc) - 30 August 2010 - C.A.T. oil AG (O2C, ISIN: AT0000A00Y78), one of the leading providers of oil and gas field services in Russia and Kazakhstan, today announced the results for the first half of the Fiscal Year 2010. During the reporting period, C.A.T. oil benefitted from the noticeable signs of an economic recovery and increasing demand for oil field services. After the challenging weather conditions at the beginning of the year, C.A.T. oil's operating capacity utilization returned to high levels in the second quarter 2010. Although the increased demand has not yet been reflected in the Company's revenue growth, C.A.T. oil successfully increased profitability and earnings during the reporting period, due to its strategic focus on high margin services and efficiency improvements across the business.

Manfred Kastner, CEO of C.A.T. oil, commented: "It is our prime objective to achieve profitable growth for our Company and our shareholders. We see 2010 to be a year of transition, during which we implement portfolio optimizations and align our capacities towards high margin services. Our results for the first half of 2010 demonstrate that this strategy has paid off. Although our rationalization efforts led to a short-term decline in revenues, our profitability and earnings further improved: Our EBITDA margin achieved an impressive level of 24.7% and our EBITDA increased around 20% YoY to EUR 26.8 million. Backed by our strong performance in the first two quarters, we enter the second half of the year with confidence. We will continue to improve efficiency to support our high margin levels and earnings growth. For the Full Year 2010 we expect our earnings to be above the level of 2009."

Portfolio optimization and trend towards day rate contracts have short-term effect on revenues

In the reporting period revenues declined 7.7% YoY to EUR 108.5 million (H1 2009: EUR 117.5 million), mainly reflecting three developments: Firstly, the low activity levels in the first quarter due to abnormally harsh weather conditions in Western Siberia, secondly, the outsourcing of low margin auxiliary services and thirdly, the trend towards sidetrack drilling contracts on a day rate basis. Compared to turnkey arrangements, day rate contracts are based on a different service and pricing model. Although they achieve higher margins and therefore support profitability, they had a negative impact on the Company's revenue development in the short-term due to lower per job revenue compared to turnkey contracts. The total job count for the reporting period amounted to 1,409 jobs (H1 2009: 1,525 jobs) reflecting the lower utilization levels at the beginning of the year and the outsourcing of workover services. The average revenue per job stayed effectively flat YoY and amounted to TEUR 77.0 in H1 2010 (H1 2009: TEUR 77.1).

Cost base further improved

Due to the rationalization of operations and the continued strict cost management, the cost of sales was successfully reduced 11.8% YoY to EUR 89.2 million in H1 2010 (H1 2009: EUR 101.1 million). Wages and salaries declined by 8.2% YoY to EUR 14.6 million in the first six months of the year (H1 2009: EUR 15.9 million), reflecting further contraction in headcount to 2,455 employees (H1 2009: 3,104 employees). General and administrative expenses increased 11.8% YoY to EUR 9.1 million (H1 2009: EUR 8.2 million) due to higher rental and license expenses, consulting and professional fees.

## Margin development reflects efficiency improvements

The consistent implementation of rationalization measurements is reflected in the Company's strong earnings before interest, corporate tax, depreciation and amortization (EBITDA), which went up 19.7% YoY to EUR 26.8 million (H1 2009: EUR 22.4 million). The EBITDA margin expanded to 24.7% in H1 2010 from 19.1% in H1 2009. C.A.T. oil's earnings before interest and corporate tax (EBIT) rose 39.1% YoY to EUR 12.4 million (H1 2009: EUR 8.9 million) with the EBIT margin rising to 11.4% (H1 2009: 7.6%).

The net financial result for H1 2010 amounted to EUR 1.3 million (H1 2009: EUR -3.4 million), primarily reflecting foreign currency exchange gains of EUR 0.9 million (H1 2009: loss of EUR 2.2 million) on euro-denominated inter-company loans. C.A.T. oil's pre-tax profit improved 148.8% YoY to EUR 13.7 million during the reporting period (H1 2009: EUR 5.5 million).

The Company's net income rose 209.2% YoY to EUR 8.5 million in H1 2010 (H1 2009: EUR 2.7 million), resulting in earnings per share of EUR 0.174 (H1 2009: EUR 0.056).

## Strong operating cash flow and solid financial position

During the first half of 2010, C.A.T. oil was able to improve its working capital turnover and, as a consequence, generate strong cash flow from operating activities, which went up 50.2% YoY to EUR 33.5 million (H1 2009: EUR 22.3 million). The Company's H1 2010 cash flow from investing activities amounted to a net outflow of EUR 9.0 million (H1 2009: net outflow of EUR 6.2 million), which included the proceeds from the sale of equipment as part of the outsourcing of workover services. The Company's cash flow from financing activities was a net outflow of EUR 3.8 million in H1 2010 (H1 2009: net outflow of EUR 15.8 million), which primarily reflects dividend payments of EUR 5.9 million made in Q2 2010.

Cash and cash equivalents amounted to EUR 46.2 million as of 30 June 2010 that represents an increase of 58.8% over EUR 29.1 million as of 31 December 2009. The Company's net cash rose 53.2% YoY to EUR 44.4 million as of 30 June 2010 (31 December 2009: EUR 29.0 million). C.A.T. oil maintained a conservative financial strategy and, as a result, was able to sustain a strong balance sheet with an equity ratio of 78.6% as of 30 June 2010 (31 December 2009: 84.6%).

Outlook: Increasing demand and earnings growth expected for H2 2010

The H1 2010 results have demonstrated that C.A.T. oil successfully achieved a sustainable increase in profitability through the ongoing cost savings and its focus on high margin services. For the second half of the year, the Company plans to continue optimizing its portfolio and streamlining its operations. In addition, C.A.T. oil remains dedicated to delivering high quality services, realizing additional cross-selling potential and continues operating on a solid financial basis.

For the Full Year 2010 the management expects revenues to be in the range of EUR 215 million to EUR 225 million (based on a Rouble / Euro exchange rate of 39). With further rationalization plans and the intensified shift towards day rate contracts, the management believes the Company should be able to sustain the H1 2010 margins in H2 2010 and attain the full year 2010 earnings above the 2009 levels.

Although economic uncertainties remain on a global basis, the management expects current macroeconomic conditions in Russia and Kazakhstan to remain intact. With an oil price above the level of USD 70 per barrel, C.A.T. oil anticipates the demand for sidetrack drilling and hydraulic fracturing services to remain high in H2 2010 and to further increase in 2011.

As a consequence of the improved economic conditions and to meet the increasing customer demand, the management has decided to extend the Company's capital expenditure program to EUR 35 million beyond mere maintenance level of EUR 15 million: In the first instance, the Company plans to upgrade a portion of its sidetrack drilling capacity in H2 2010, secondly to expand pressure pumping capacity of its existing fracturing fleets in late 2010 and beginning 2011 and thirdly, to start investing in conventional drilling capacity in H2 2010. The Company has already placed purchase orders for three new drilling rigs, which are expected to be operational in H2 2011, and made appropriate preparatory steps for further expansion in 2011. The Company's 2010 capital expenditure program will be funded primarily from the existing cash and cash flow from operations.

[www.catoilag.com](http://www.catoilag.com)

Press contact: Financial Dynamics GmbH

Carolin Amann  
Tel.: +49 (0)69 92037-132  
Email: [carolin.amann@fd.com](mailto:carolin.amann@fd.com)

Lucie Maucher  
Tel.: +49 (0)69 92037-183  
Email: [lucie.maucher@fd.com](mailto:lucie.maucher@fd.com)

About C.A.T. oil AG: C.A.T. oil AG is one of the leading providers of oil and gas field services in Russia and Kazakhstan and is listed on the Frankfurt Stock Exchange (SDAX). C.A.T. oil offers a wide spectrum of services to increase the lifecycle of an oil field or to make abandoned oil fields accessible. The Company's growth is driven by three significant

factors: Existing oil fields need to be stimulated due to shrinking oil and gas resources in order to optimize capacities. Simultaneously, idle wells are reactivated or made accessible through new methods in order to deploy wells to their maximum. Additionally C.A.T. oil offers seismic services which help to identify new oil and gas sources.

Since its foundation in 1991 in Celle, Germany, C.A.T. oil has built up a leading hydraulic fracturing services business in Russia and Kazakhstan. Following its IPO in 2006 the Company has invested more than EUR 200 million in additional services and capacities: sidetrack drilling has become the Company's second core business. Apart from the services mentioned above, C.A.T. oil's diversified service portfolio includes coiled tubing, formation evaluation services, well work-over, cementing and seismic services. Due to the recent expansion investments C.A.T. oil's fleets and rigs are state-of-the-art and therefore allow for time-efficient and effective deployment. C.A.T. oil's customer base includes the leading Russian and Kazakh oil and gas producers amongst them Gazprom, KazMunaiGaz, LUKOIL, Rosneft and TNK-BP. C.A.T. oil has a long-standing relationship with these customers and has been a reliable service provider since its market entrance in the early nineties.

The Company has its headquarters in Vienna and employed an average of 2,455 people on 30 June 2010, most of whom are based in Russia and Kazakhstan. The Company's current order book for 2010 amounts to approximately EUR 239 million (based on a Rouble / Euro exchange rate of 39).

#### Key financial figures for the first half of 2010

| [in million EUR]                    | H1 2010 | H1 2009 | Change in % |
|-------------------------------------|---------|---------|-------------|
| Revenues                            | 108.5   | 117.5   | -7.7        |
| Cost of sales                       | 89.2    | 101.1   | -11.8       |
| Gross profit                        | 19.3    | 16.4    | 17.4        |
| EBITDA                              | 26.8    | 22.4    | 19.7        |
| EBITDA margin (in%)                 | 24.7    | 19.1    |             |
| EBIT                                | 12.4    | 8.9     | 39.1        |
| EBIT margin (in%)                   | 11.4    | 7.6     |             |
| Net result for period               | 8.5     | 2.7     | > 100       |
| Earnings per share (in EUR)         | 0.174   | 0.056   | > 100       |
| Equity Ratio (in %) (1)             | 78.6    | 84.6    |             |
| Cash flow from operating activities | 33.5    | 22.3    | 50.2        |
| Cash flow from investing activities | -9.0    | -6.2    | 45.4        |
| Cash flow from financing activities | -3.8    | -15.8   | 75.8        |
| Cash and cash equivalents (1)       | 46.2    | 29.1    | 58.8        |
| Total job count                     | 1,409   | 1,525   | -7.6        |
| Per-job revenue (in thou. EUR)      | 77.0    | 77.1    | -           |
| Employees                           | 2,455   | 3,104   | -20.9       |

(1) As of 30 June 2010 and 31 December 2009 respectively

#### Key financial figures for the second quarter 2010

| [in million EUR]                    | Q2 2010    | Q2 2009 | Change in %             |
|-------------------------------------|------------|---------|-------------------------|
| Revenues                            | 61.3       | 63.7    | -3.8                    |
| Cost of sales                       | 47.4       | 53.5    | -11.3                   |
| Gross profit                        | 13.9       | 10.3    | 35.0                    |
| EBITDA                              | 17.8       | 14.3    | 24.2                    |
| EBITDA margin (in%)                 | 29.0       | 22.5    |                         |
| EBIT                                | 10.6       | 7.6     | 38.9                    |
| EBIT margin (in%)                   | 17.3       | 12.0    |                         |
| Net result for period               | 7.5        | 3.7     | > 100                   |
| Earnings per share (in EUR)         | 0.153      | 0.075   |                         |
| Cash flow from operating activities | 33.8       | 8.4     | > 100                   |
| Cash flow from investing activities | -9.0       | -3.0    | > 100                   |
| Cash flow from financing activities | -5.5       | -6.7    | 17.4                    |
| Total job count                     | 791        | 858     | -7.8                    |
| Per-job revenue (in thou. EUR)      | 77.5       | 74.3    | 4.3 end of announcement |
|                                     | euro adhoc |         |                         |

----- Further inquiry note:

Lucie Maucher  
 Tel.: +49 (69) 920 37-183  
 E-Mail: [lucie.maucher@fd.com](mailto:lucie.maucher@fd.com)

Branche: Oil & Gas - Upstream activities  
 ISIN: AT0000A00Y78  
 WKN: A0JKWU

Index: SDAX, Classic All Share, Prime All Share  
Börsen: Frankfurt / regulated dealing/prime standard

Originaltext: C.A.T. oil AG  
ISIN: AT0000A00Y78  
Pressemappe: <http://www.presseportal.de/pm/61923/c-a-t-oil-ag>  
Pressemappe als RSS: [http://presseportal.de/rss/pm\\_61923.rss2](http://presseportal.de/rss/pm_61923.rss2)