



Roadshow Presentation

September 2007

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Presentation Team



FELIX LUBASHEVSKY
CEO

- Former Executive Vice President, Oilfield Services and Supply Chain Management, TNK-BP
- Graduate of Plekhanov Russian Academy of Economics with a degree in Economical Cybernetics



ALEX POLEVOY
CFO

- Former CFO of NYSE listed Mechel Group
- Former Head of Corporate Audit of TNK-BP
- Former Head of Monitoring and Control Group with the BoD of TNK
- Former CFO of Upstream Operations for Yukos
- Graduate of Northern Alberta Institute of Technology, Canada



ANDREY MACHANSKIS
Head of Investor Relations

- Former Vice President at Citigroup Investment Research (Oil & Gas)
- Former Director at UBS Equity Research
- Graduate of State Finance Academy, Russia, PhD in Economics

1. Company Overview

Integra at a Glance



Consolidated Revenue 2006 – \$546MM, 1H2007- \$488 MM
Adjusted EBITDA 2006 -\$96MM, 1H2007- \$75 MM ⁽¹⁾
Total Assets as of 30 June 2007 – \$1,543MM

Drilling, Workover and IPM

Formation Evaluation

OFS Equipment Manufacturing

Market Share ⁽²⁾

Key Services

Personnel ⁽⁴⁾

**Key Statistics
2006/1H2007**

Key Customers

- 4%
- Drilling rig management
- Workovers
- Integrated Project Management
- Technology Services and Drilling Tools

- Ca. 8,100 employees
- 47 active drilling rigs
- 35 active workover rigs
- 473.8 th meters drilled
- 1,057 workover operations



- 16%
- 2-D, 3-D surveys
- Production logging
- Perforation
- Seismic processing and interpretation

- Ca. 4,500 employees
- 121 logging crews ⁽⁷⁾
- 50 seismic crews ⁽⁶⁾
- 15.4 th km 2-D seismic ⁽⁵⁾
- 5.7 th sq km 3-D seismic ⁽⁵⁾
- 7.2 th logging operations



- 68%⁽³⁾
- Heavy drilling rigs
- Cementing fleet
- Other equipment

- Ca. 2,700 employees
- 5 new rigs completed in '06
- 16 rigs modernized in '06
- 6 cementing complexes in '06
- 22 rigs in production as at 1H07



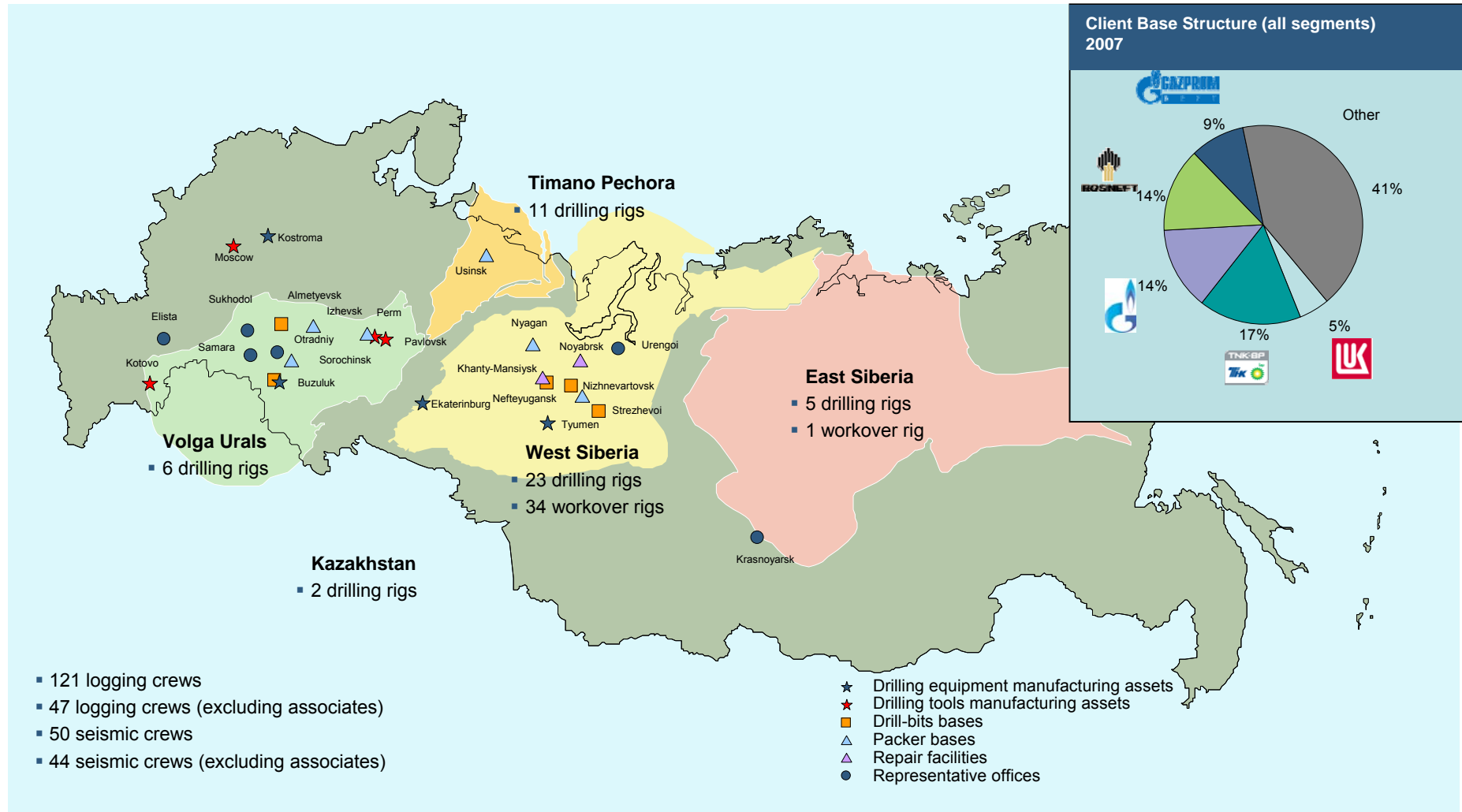
(1) Adjusted EBITDA represents profit (loss) before interest income (expenses), exchange gains (losses), income taxes, gain on acquisition of subsidiaries, loss on disposal of property, plant and equipment, depreciation and amortization, share of associates, share-based compensation and minority interest

(2) Based on Douglas-Westwood 2006 market size and Integra pro-forma revenues, incl. in-house OFS units of Russian oil majors. Under Douglas-Westwood classification, drilling tools are included in OFS Equipment Manufacturing, while Integra includes results of its drilling tools subsidiary (BI) into Drilling, Workover and IPM segment

(3) Market for selected equipment, consisting of heavy drilling rigs, down-hole motors, turbines and cementing equipment

(4) Personnel data as of 2006 (5) Excluding associates SNGF, NNGF, including Azimuth (6) 44 seismic crews excl. associates (7) 47 logging crews excl. associates

Country-wide Presence



Source: Company data as of June 30, 2007



Board and Shareholder Structure



Board of Directors



Chairman
John B. Fitzgibbons

- Founder and former CEO, Khanty Mansiysk Oil Corporation (KMOC)
- Founder and President, J Fitzgibbons LLC and Brookline Partners LLC

Iosif Bakaleinik

- First VP of SUAL
- Former first VP of TNK, head of economy and finance block

Non-executive director

John W. Kennedy

- Chairman, Vetco Int. and Wellstream Int. Ltd
- Former Executive VP, Halliburton

Non-executive director

Neil Gaskell

- Former Group Treasurer, Shell
- Former Executive Director, Shell International

Non-executive director

J. Robert Maguire

- Former co-head and MD of Global Oil and Gas Group at Morgan Stanley

Non-executive director

Felix Lubashevsky, CEO

- Former Executive VP Oilfield services and Supply Chain Management, TNK-BP

Joined in 2007

Corporate Committees

Board Level

Audit Committee

Neil Gaskell

Compensation Committee

Iosif Bakaleynik

Nominating Committee

John Kennedy

Company Level

Executive Committee (COREX)

Financial Committee

A. Polevoy

Investment Committee

E. Shevchenko

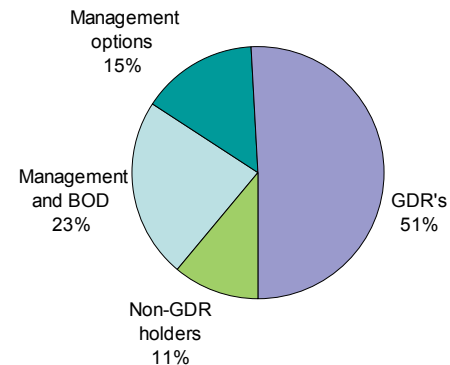
Contract Control Committee

D. Shulman

Compliance Committee

S. Polakoff

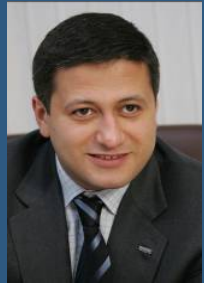
Post-IPO Shareholder Structure (fully diluted)



Source: Company data

As of Sept 5, 2007

Experienced Management Team



FELIX LUBASHEVSKY
CEO

- Former Executive Vice President, Oilfield Services and Supply Chain Management, TNK-BP
- Graduate of Plekhanov Russian Academy of Economics with a degree in Economical Cybernetics



MARK SADYKHOV
EVP – OFS

- Founder and President, Smith Eurasia
- Graduate of Azerbaijan Oil and Chemistry Institute with a degree in Petroleum Engineering



ALEX POLEVOY
CFO

- Former CFO of NYSE listed Mechel Group
- Former Head of Corporate Audit of TNK-BP
- Former head of Monitoring and Control Group with the BoD of TNK
- Former CFO of Upstream Operations for Yukos
- Graduate of Northern Alberta Institute of Technology, Canada



VITALY TKACHEV
EVP Equipment Manufacturing

- Former First VP, Head of Downstream in TNK
- Former General Director OrenburgNeft
- Former president ONAKO
- Graduate of Kiev Institute of Civil Aviation Engineers with a degree in Engineering



ELENA SHEVCHENKO
EVP, Strategy and Business Development

- Former Executive Vice-President for Business Services, Khanty-Mansiysk Oil Corporation (KMOC)
- Graduate of Russian Oil and Gas Academy named after Gubkin with a degree in Geology and Geophysics



DMITRY SHULMAN
EVP, Business Services

- Former VP, Security, JSC Rosneft
- Former Deputy Management Board Chairman, JSC CB Stroikredit;
- Graduate of Khabarovsk High school of Ministry of Internal Affairs with a degree in Law

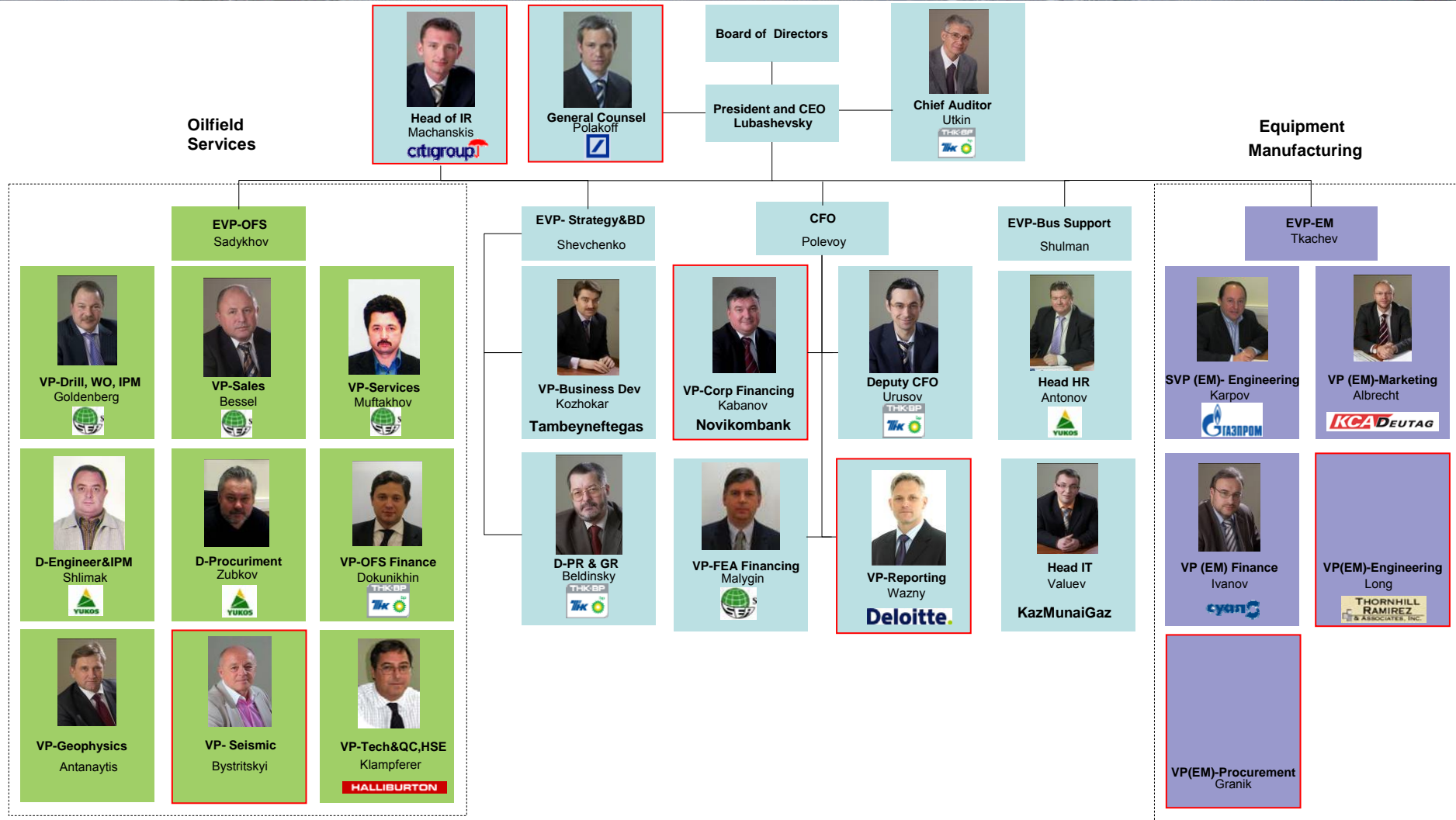


STEPHEN POLAKOFF
General Counsel

- Former Head of Legal Department of Deutsche Bank's Moscow office
- Graduate of Colgate University in Hamilton, New York. Juris doctorate degree of Georgetown University Law School, Washington D.C



Extensive Organisational Support



Corporate
 Oilfield Services
 Equipment Manufacturing
 Hires in 2007



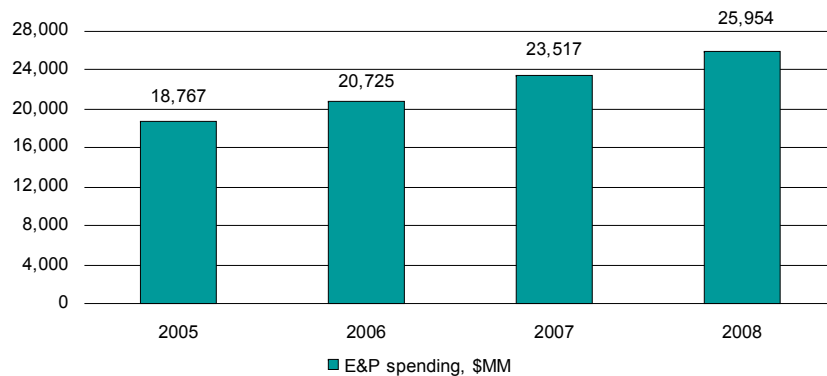
2. Market Environment

Higher spending : OFS Opportunities



Indications of Future Spending

Broker Consensus Estimates of E&P Capex, \$MM



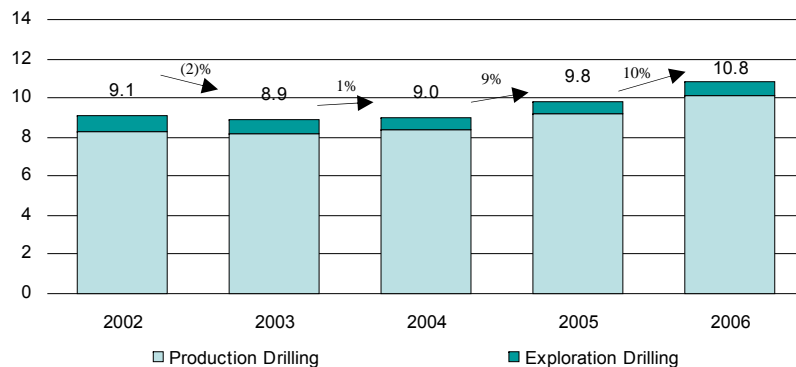
Includes spending of Gazprom, Lukoil, Rosneft, TNK-BP, Gazpromneft, Novatek
Source: RPI, CDU-TEK, Wood Mackenzie, Factiva, company reports, FactSet

Comments

- Significant incremental investments required to maintain current level of production
- Next generation projects in West Siberia and, increasingly, in East Siberia, starting to play a role
- Exploratory drilling and 3D seismic also on the rise
 - Reserves=value
 - license requirements
- Highly depreciated drilling equipment requires replacement and creates capacity shortage
 - over 50% of Russia's drilling fleet is in operation for more than 10 years
 - Idle rigs, which before were considered as "about to be liquidated" are now being rehabilitated

Drilling Physical Volume

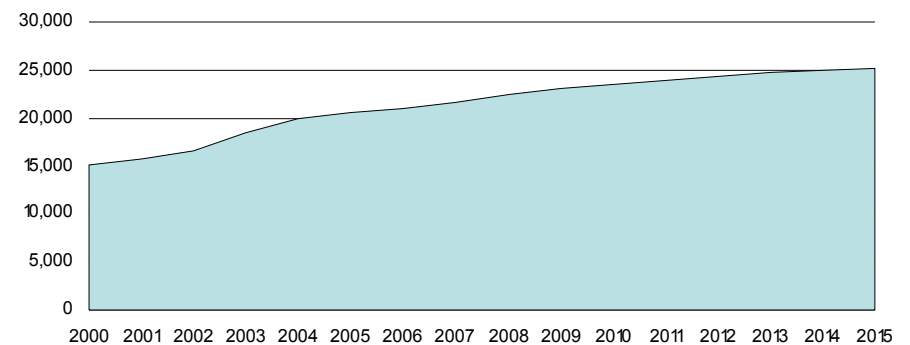
MM Metres Drilled



Source: Douglas-Westwood

Oil Production Forecast

Mmboe/day



Source: Woodmac

OFS Industry Overview



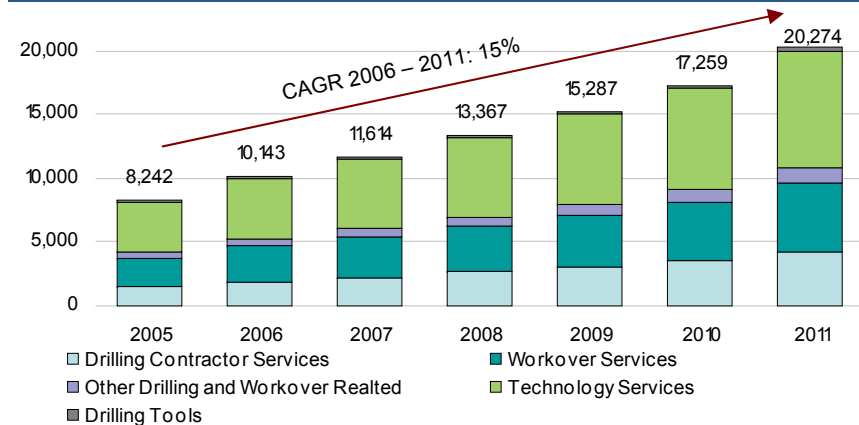
Market Trends - Drilling, Workover and IPM

- State policies encourage development
- Move into unexplored areas
- Historically extensive wellcount a solid foundation for workover and sidetracking
- Oil companies' profits less sensitive to oil price fluctuations as compared with other countries
 - Only 10-15% of proceeds from crude sales at Urals above \$25/bbl attributable to oil producers

Market Trends - Formation Evaluation

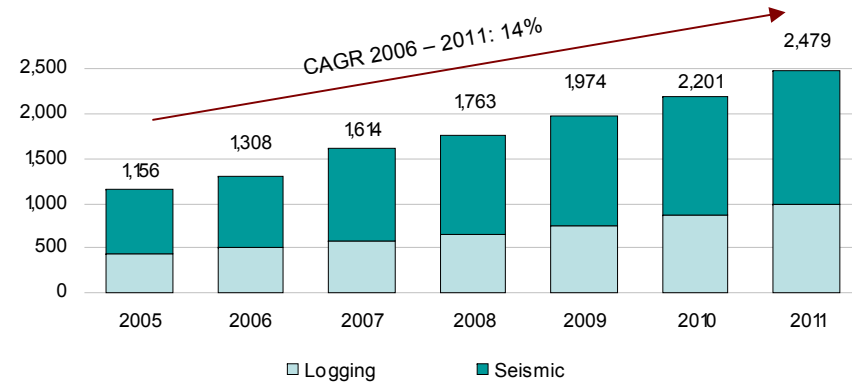
- New provinces and fields being developed
- Reserves now as important (or even more) as production
- Underinvestment in exploration in 2002-2005
- Shift to 3D seismic from 2D
- State investing funds in geological studies/ seismic
 - Ca. \$5 Bn to be spent on oil & gas geology surveys until 2020, excl. exploration drilling

Drilling, Workover, IPM, Technology and Drilling Tools Market (1) \$MM, in Nominal Prices



Source: Douglas-Westwood

Logging and Seismic Market \$MM, in Nominal Prices



Source: Douglas-Westwood, Ministry of Natural Resources

(1) IPM services are included within Drilling, Workover and Technology Services and not identified separately

Government Developments: Idle Well Count



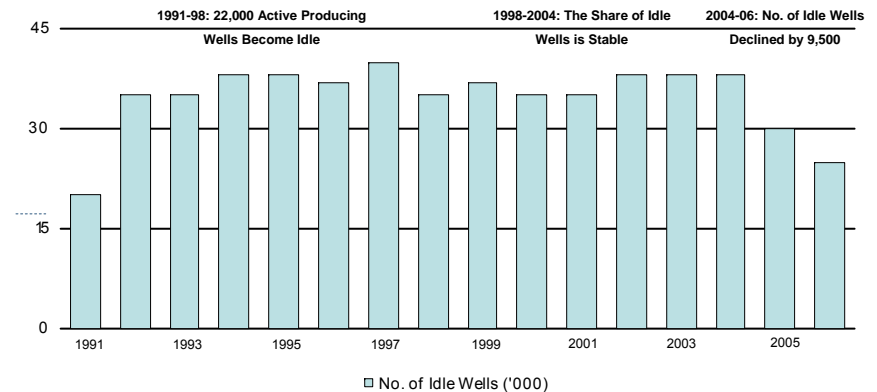
Recent Developments and Current Situation

- By 2011 E&P companies are required to reduce share of idle wells to 10% according to a government decree of 2003
- In December 2006 industry average of idle wells was 17.6%
- While most Russian oil majors do not comply with these regulations, significant regulatory effort is being made to force decrease in % of idle wells

Upside for OFS Sector

- According to CERA, the impact of legislation can be estimated at \$4.1 bn of additional cash flow into OFS by 2011.
- Although E&P companies will try to use in-house OFS units, capacity is not sufficient and demand for OFS will by far exceed supply, hence providing plenty of space for independents

Oil Well Stock Composition, 1991-2006 ('000 wells)



Source: Cambridge Energy Research Associates

Distribution of Well Stock in Russia (as of December 2006)

| Company | Idle Wells | Idle Wells as % Total | Idle Wells in Excess of 10% of Total |
|----------------|------------|-----------------------|--------------------------------------|
| LUKOIL | 4,165 | 15.4 | 1,469 |
| Surgutneftegaz | 1,410 | 8.2 | none |
| Yukos | 1,969 | 23.8 | 1,141 |
| TNK-BP | 8,957 | 39.8 | 6,708 |
| Sibneft | 604 | 12 | 100 |
| Slavneft | 569 | 14.2 | 168 |
| Rosneft | 3,009 | 14.1 | 880 |
| Russneft | 416 | 9.5 | none |
| Tatneft | 3,187 | 14.9 | 1,045 |
| Bashneft | 1,981 | 10.7 | 123 |
| Other | 932 | 17.4 | 397 |
| Total | 27,220 | 17.5 | 12,030 |

Source: Cambridge Energy Research Associates, TsDU TEK

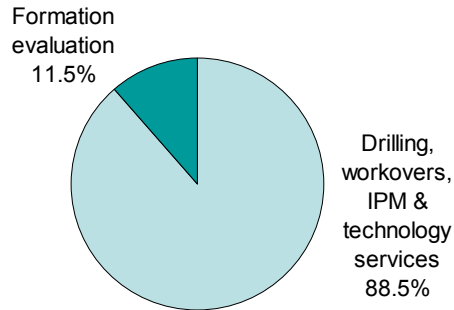
Attractive Growth of the OFS Market



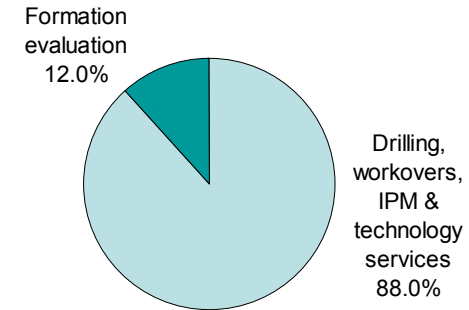
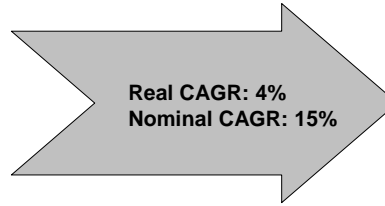
Addressable OFS Market Structure (Excluding Manufacturing) ⁽¹⁾

2006E

2011E



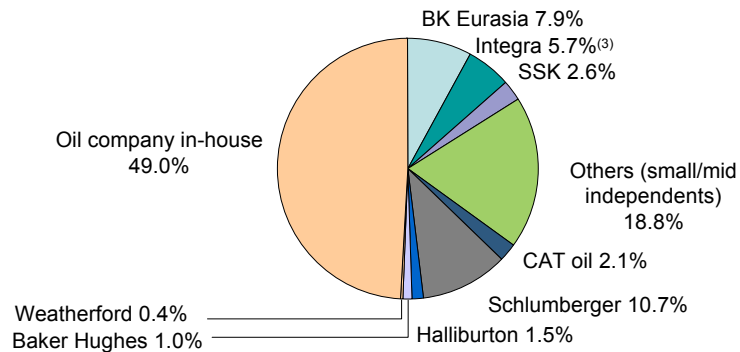
Total 2006E: \$11.4Bn



Total 2011E: \$14.1Bn (real)
\$22.5Bn (nominal⁽²⁾)

Total OFS Market in 2006 Excluding Manufacturing:

\$11.4 Bn



Source: Douglas-Westwood, Press reports, Company

(1) Douglas-Westwood includes both drilling equipment and drilling tools in the manufacturing segment of the OFS market, not shown here

(2) Using DW's assumption of 10% p.a. OFS price inflation

(3) Integra OFS market share is on a pro-forma basis, market share based on consolidated result is 3.9%

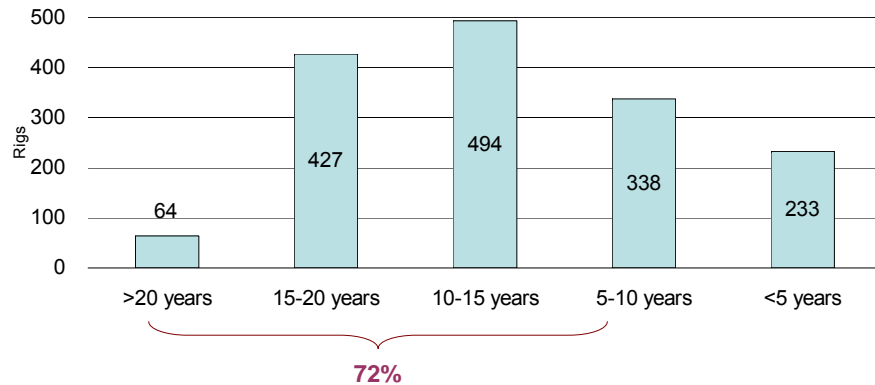
Integra's Diversified Product Offering

| | INTEGRA | C.A.T.oil | SSK | BKE | Schlumberger | HALLIBURTON |
|---------------|---------|-----------|---------|--------|--------------|-------------|
| Seismic | ✓ | ✓ | ✗ | ✗ | ✓ | ✗ |
| Logging | ✓ | ✗ | ✗ | ✗ | ✓ | ✓ |
| Drilling | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Workover | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| IPM | ✓ | ✗ | ✗ | ✗ | ✓ | ✓ |
| Manufacturing | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ |
| Key customers | Diverse | Diverse | Rosneft | LUKOIL | Diverse | Diverse |

OFS Equipment Manufacturing Industry Overview

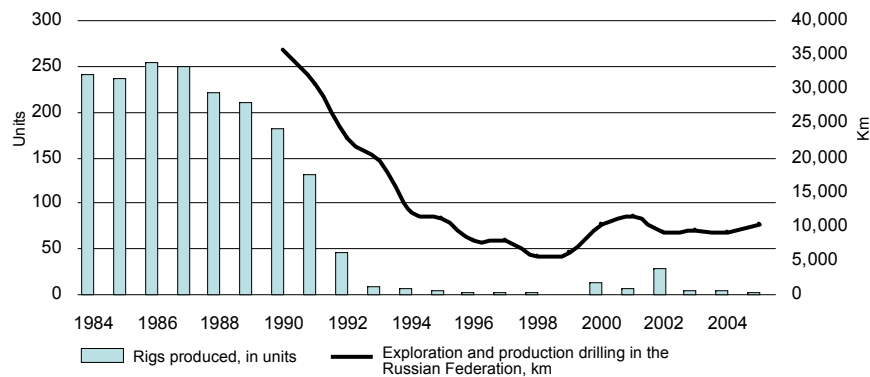


Russia's Drilling Fleet Age
As of 1 January 2006,



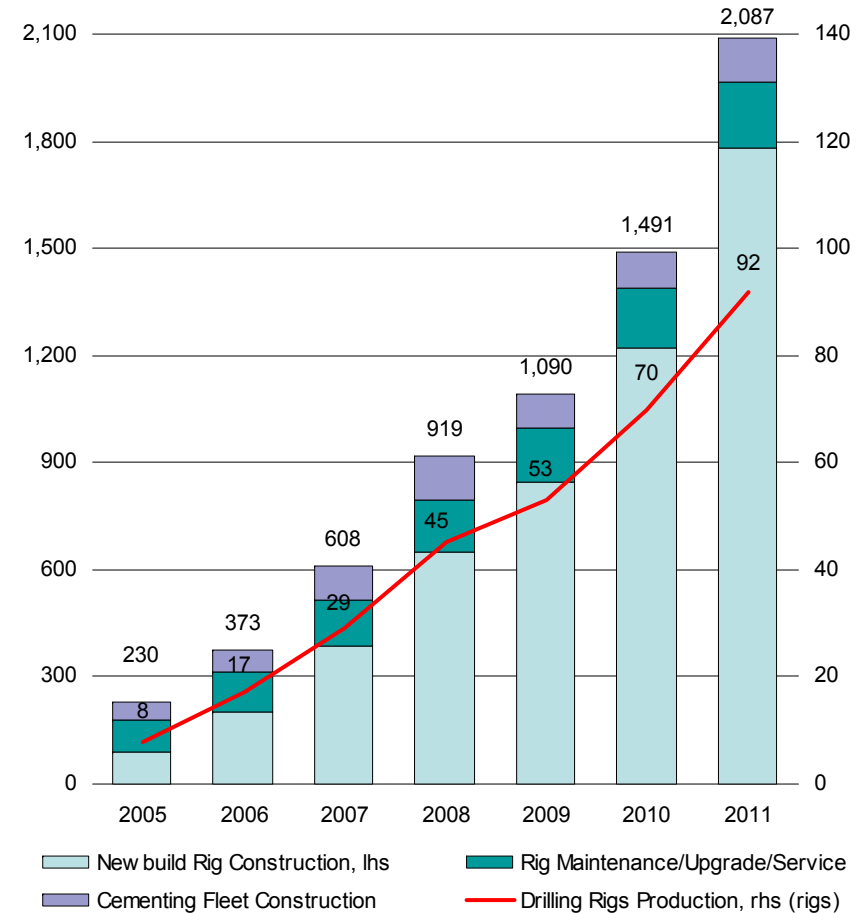
Source: Union of Russian producers of OFS equipment

Historical Production of Heavy Rigs by the State vs. Oil Sector Drilling
As of 1 January 2006



Source: CDU TEK, Union of Oil & Gas Equipment Manufacturers

OFS Equipment Manufacturing Market (1)
\$MM, in Nominal Prices



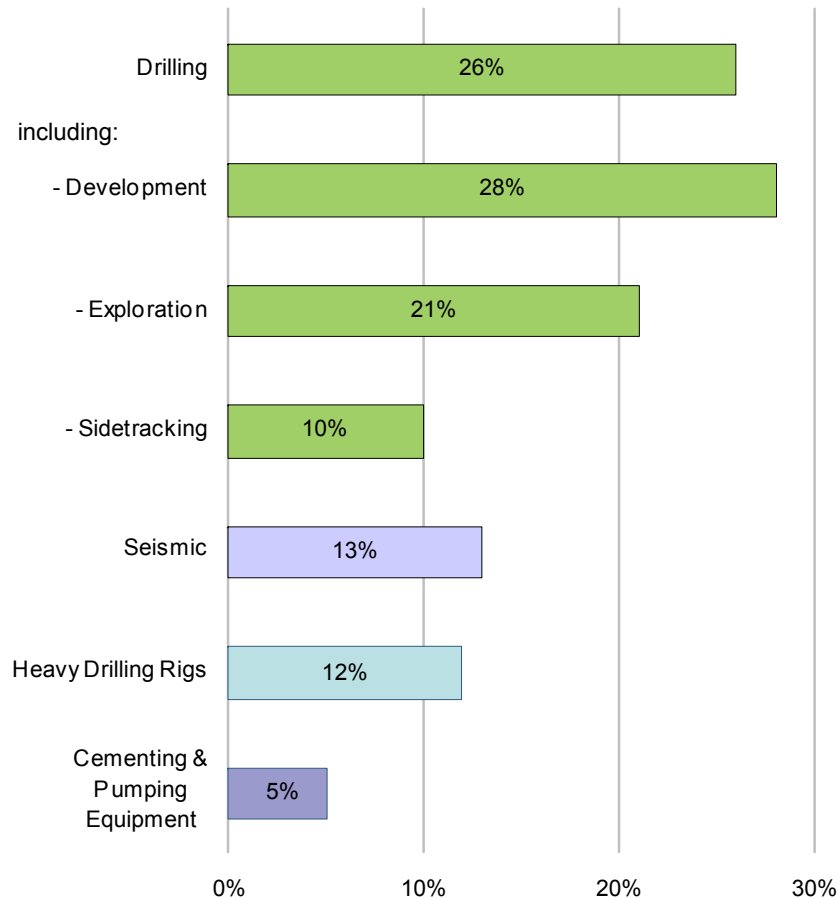
Source: Douglas-Westwood

(1) For the purpose of this presentation OFS equipment manufacturing market comprises only 3 segments stated above

Positive Pricing Dynamics



Pricing Dynamics ⁽¹⁾ in 1H 2007 vs. 2006



Comments

- Pricing continues to be influenced by strong demand for drilling and seismic capacity in Russia and the CIS and better recognition of the Integra brand
 - In drilling, the largest price increases are realized in development drilling, followed by exploration drilling
 - In seismic, prices for 2D are increasing slightly faster than 3D, although this growth is from a lower base
 - In manufacturing, prices are somewhat contained by our strategy to capture larger market share (and protect existing market share) through more stable pricing for our Customers

⁽¹⁾ Nature of drilling and seismic contracts does not always allow to calculate unit costs, thus price dynamics are based on management estimates

Source: Company

3. Performance Update – on track of delivering expected results

Delivering on Promises



Promises at IPO

Strategy and Organisational

- Organic development in all 3 segments
- Growth through acquisitions
- Strengthening of corporate governance and internal control systems

Operations

- Integration of newly acquired assets
- Development of value added oilfield services
- Investment in equipment to support growth
- Extending breadth and depth of customer relations
- Increase of predictability of the business

Financial

- Provide organic growth in financials
- Focus on efficiency improvements
- De-levering the company and targeting optimal capital structure
- Aligned shareholder incentives

Accomplishments since IPO

Strategy and Organisational

- Delivering strong organic growth results (62% organic EBITDA 1H y-o-y growth)
- Acquisition of Geotechsystem and Obnefteremont, on the lookout for more acquisitions
- New senior staff within financial/ reporting/ internal control functions
- J. Robert Maguire appointed as a new non-executive director

Operations

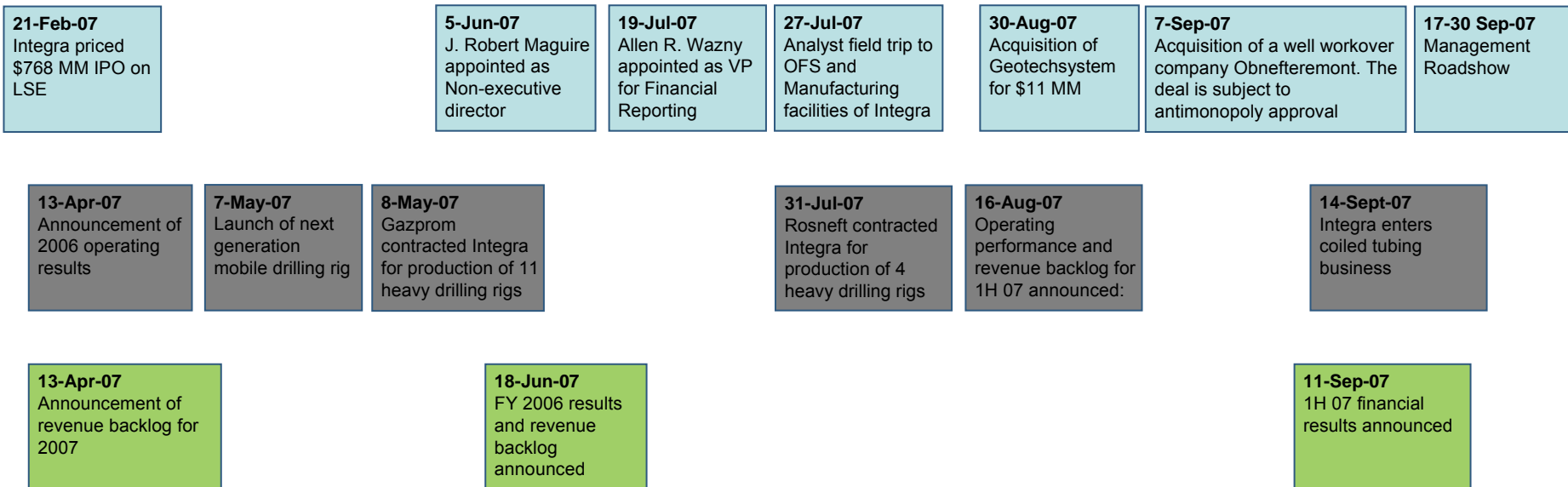
- Drilling and Seismic reorganization underway with first results visible
- Development of value-added IPM and technology services business
- Increasing 2007 capex, investing in new seismic equipment and rigs
- Landmark contracts signed with Rosneft and Gazprom
- Several long-term service contracts are already signed

Financial⁽¹⁾

- Revenue growth at 176.6%, EBITDA growth at 204.9%
- Organic EBITDA growth at 62.5%
- Gross profit / Adj. EBITDA margin at 17.9%/ 15.4%
- Debt reduced to US\$231.7MM
- Management fully focused on delivery

⁽¹⁾ Financial results for 6m 2007

Progress Since IPO



Corporate highlights
 Operating highlights
 Financial highlights



Restructuring – building the leading integrated OFS company in Russia and CIS



Our primary strategic goal is building the leading integrated OFS company in Russia and CIS with best-in-class operating and financial efficiency, supported by world-class corporate governance, reporting and HSE standards

Key principles of the restructuring program

- Centralization of key functions and enlargement of business streams
- Standardization of operational and organizational processes
- Unified branding within each business unit
- Separation of responsibilities across the full value chain of our segments
- Elimination of duplicating functions
- Implementation of Western best practice where feasible

...which will allow us to...

- Ensure more transparent and efficient financial reporting, HSE and technology practices
- Develop stronger customer relationships
- Fuel our organic growth, increase efficiency and thus, ensure substantial growth at both top and bottom lines
- Engage in more cross-marketing of our services and products
- Increase utilization of personnel and equipment

Update on M&A Market Environment

- Competition for assets is increasing in attempt to reproduce Integra's success
- Owners of assets become more sophisticated in terms of their divestment plans, which translates into higher valuations
at the same time...
- Owners of potential acquisition targets are enlarging their assets, suggesting potential search for an exit strategy (divestment)
- Oil majors are actively restructuring their in-house OFS units increasing the likelihood of spin-offs
- Integra's size and diversification allows for synergies with a wider spectrum of targets
- Increasing opportunities in the CIS markets

Update on Integra's M&A Activity

Acquisition of Geotechsystem, LLC

- Leading geophysical processing and interpretation enterprise.
- Most up-to-date technologies
- Good fit with existing Integra seismic assets
- Will allow Integra to build a leading processing center on the basis of Geotechsystem

Key financial highlights:

- Estimated 07 EBITDA USD 2 mln
- Consideration paid amounted to USD 11mln

Acquisition of Obnefteremont, LLC (in process)

- Obnefteremont is a fast growing company specializing in well workovers
- Complimentary to the current Integra's operations
- Will allow Integra to virtually **double** workover capacity

Key financial highlights:

- Revenue of US\$ 31.4 mln for the 6 month ended 30.06.2007 (US\$ 48 mln for the year ended 31.12.2006)
- EBITDA amounted to US\$ 7.64 mln for the year ended 31.12.2006

Outlook for further acquisitions remains positive with over 20 companies in the acquisition pipeline at various stages of evaluation

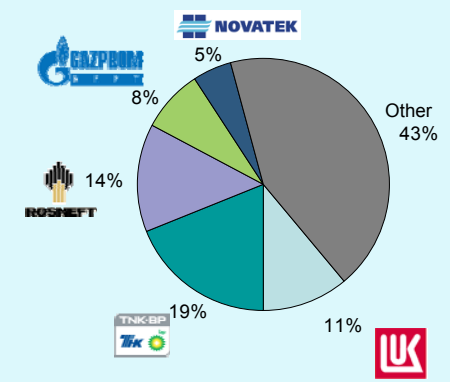
4. Leading OFS Position – segmental overview

Oilfield Services Segment

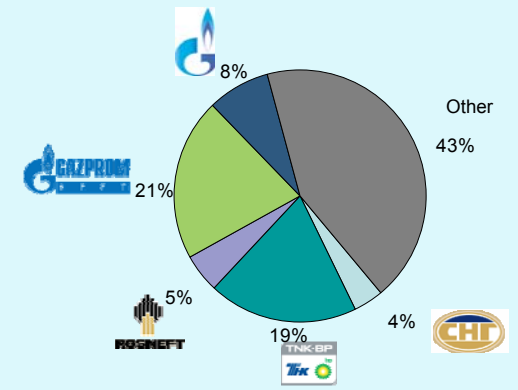
Drilling, Workover, IPM and Formation Evaluation



Drilling, Workover, IPM Client Base Structure 2007



Formation Evaluation Client Base Structure 2007



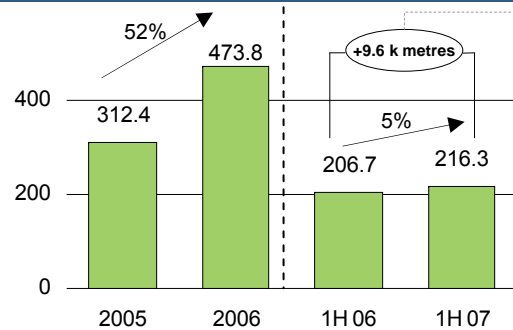
Source: Company



Drilling, Workover and IPM Quality Growth

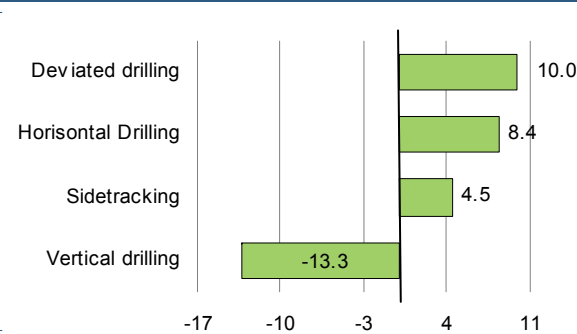


Total Drilling Volume, '000 metres



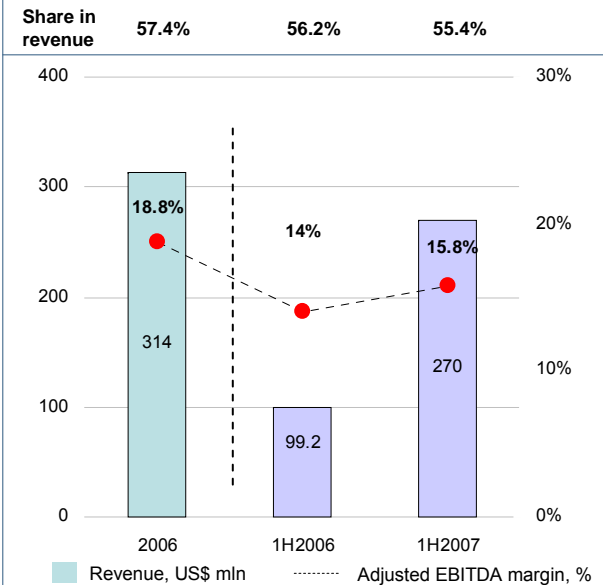
Source: Company

1H07 Drilling Contract Structure Changes '000 metres



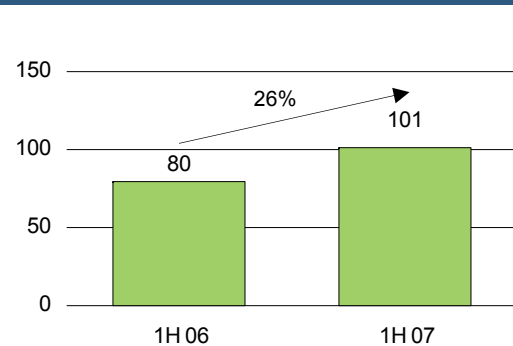
Source: Company

Financial Performance



Source: Company

Number of Wells Drilled



Source: Company

Comments

- The increase in volumes was mainly attributed to:
 - Higher capacity utilization of drilling assets
 - Upgrade of existing drilling fleet
- In 1H 2007 volumes of meters drilled were affected by:
 - Larger number and longer mobilization of our drilling rigs in 1Q and 2Q resulting in volumes being skewed towards second half of the year
 - Changes in the structure of contract, where we move away from low-margin vertical "meters" in favour of horizontal and deviated drilling

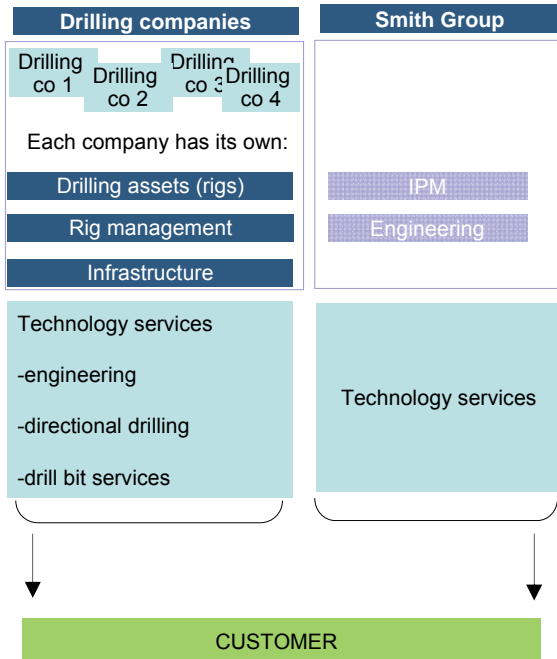
- The increase in margin was a reflection of
 - restructuring effort in the segment
 - upgrade of our rig fleet
 - more favorable pricing and
 - significant expansion of higher valued services like IPM and technology

Drilling, Workover and IPM Restructuring Update



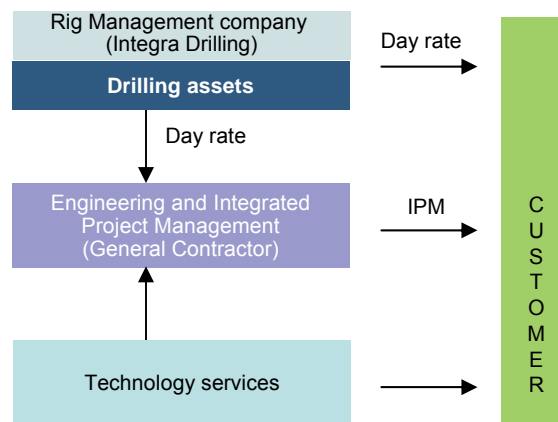
Where We Are

- Drilling Business consisting of several drilling companies (legal entities) of various ownership forms, separately holding fixed assets and conducting business



Key Steps

- Segregation of rig management and technology services
- Optimization of support infrastructure
- Optimization of marketing



Key Strategic Goals

- Creation of a powerful rig management company
- Development and expansion of higher added value technology services and IPM business

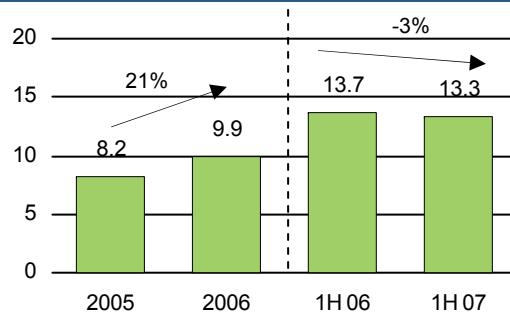
Key Advantages

- Increases capacity to sell higher value added services
- Switches contracts to day rate
- Ability to capture margin along production chain
- Better drilling rig management
- Cross function elimination

Formation Evaluation Market Leading Performance

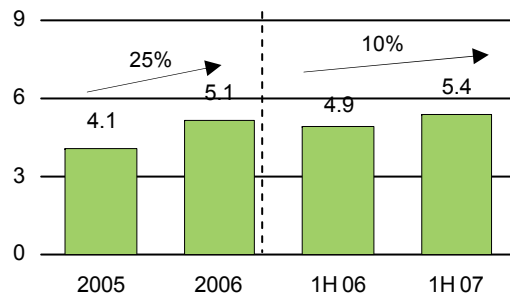


2D Seismic, '000 km



Source: Company

3D seismic, '000 sq. km

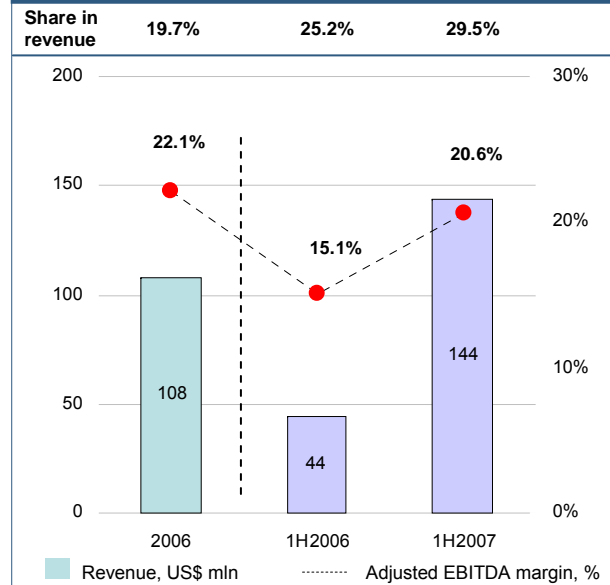


Source: Company

Comments

- Activities of Formation Valuation Division unit were affected by unprecedented warm winter and early spring
- 2D volumes were virtually maintained at 1H06 levels
- Increase in 3D operations illustrates a trend towards shifting volumes to more technologically advanced 3D seismic surveys
- Testing of "summer technology" allowing full year operations was conducted this summer

Financial Performance



Source: Company

- Increase in sales was primarily a result of
 - consolidation of acquired companies not owned in 1H 2006
 - stronger and increased volumes of higher revenue 3D seismic surveys
- The division's margins particularly benefited from consolidation of seismic services company YGF, as well as expansion into higher margin markets in Kazakhstan

Formation Evaluation Restructuring Update



Where We Are

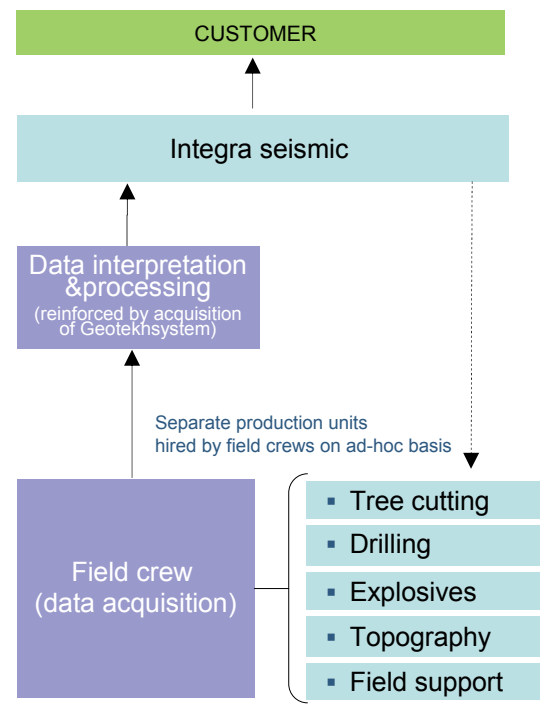
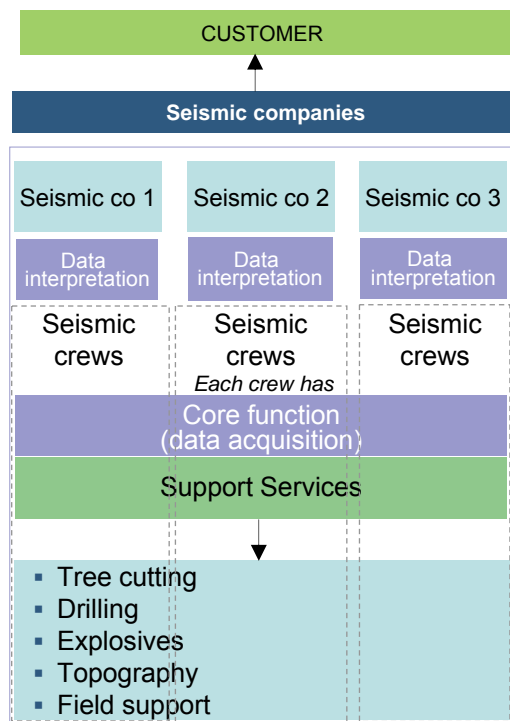
- Solid business platform, however great number of geographically distributed locations
- Seasonal operations
- Duplicating support functions in majority of seismic crews

Key Steps

- Integration and enlargement of existing seismic assets
- Restructuring of the single seismic asset on the basis of core and support services function.
- Testing of all-season technology

Key Strategic Goals

- Integration of seismic business into one company "Integra Seismic" which will dominate Russian formation evaluation market
- More efficient use of capacity



Key Advantages

- Increase of number of operations performed in summer time
- Cross usage of equipment for various types of works
- Management transparency and elimination of duplicating functions

Equipment Manufacturing



Stromneftemash

Cementing complexes and units
Other equipment

Uralmash BO Tyumen Branch

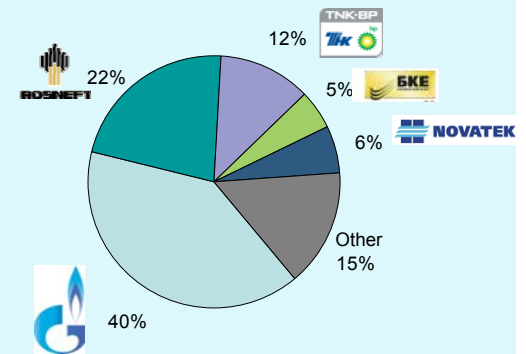
Platform for capacity increase



Uralmash BO

Drilling rigs Rig maintenance/upgrade/service OFS Equipment

Manufacturing Client Base Structure 2007

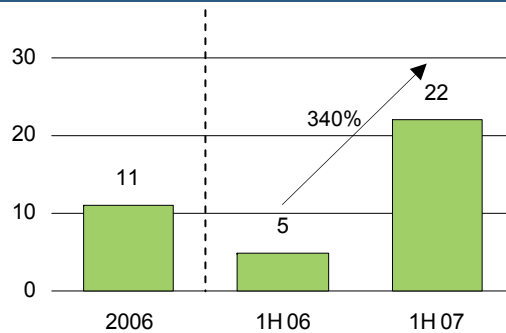


Source: Company

Equipment Manufacturing Capturing the Opportunity

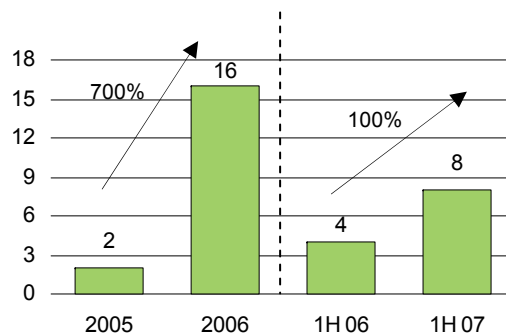


Rigs in Production



Source: Company

Rigs Modernized

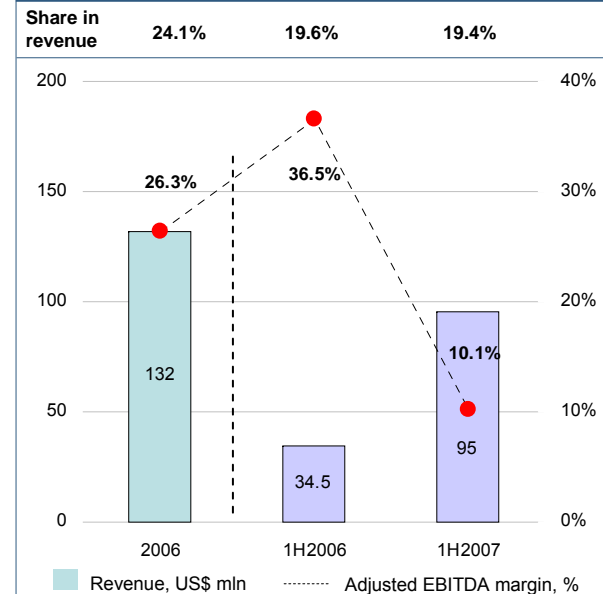


Source: Company

Comments

- During the first 6 months Manufacturing division had 22 new rigs in production – substantial increase is attributable to new contracts signed at the end of 2006.
- Substantial growth in number of modernized rigs was mainly driven by expansion of production capacity via acquisition of two new workshops nearby existing Uralmash facilities
- Landmark contracts with Rosneft and Gazprom starting from 2H 2007
- Strong order backlog for 2007 and 2008 should bring stability to the revenue stream

Financial Performance



Source: Company

- Increase in manufacturing revenues was attributable to consolidation of STM and increased number of rigs in production
- The decline in segment EBITDA margin is explained by
 - Significant share of non-attributable fixed costs (SG&A) in 1H 2007,
 - marketing and procurement costs in 1H2007 resulting in preparation for landmark contracts with Gazprom and Rosneft

Equipment Manufacturing Restructuring Update



Where We are

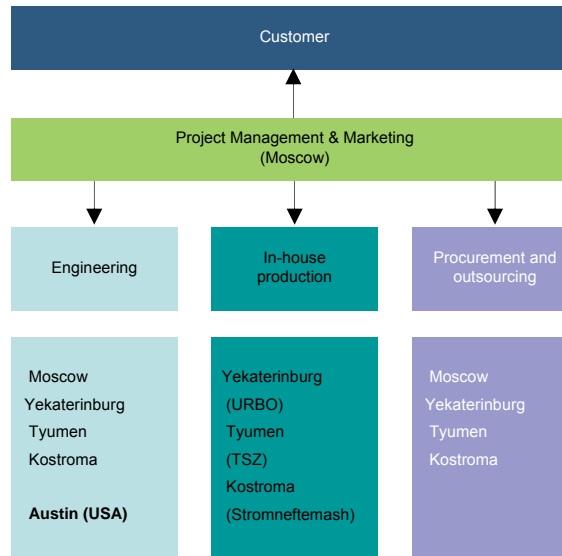
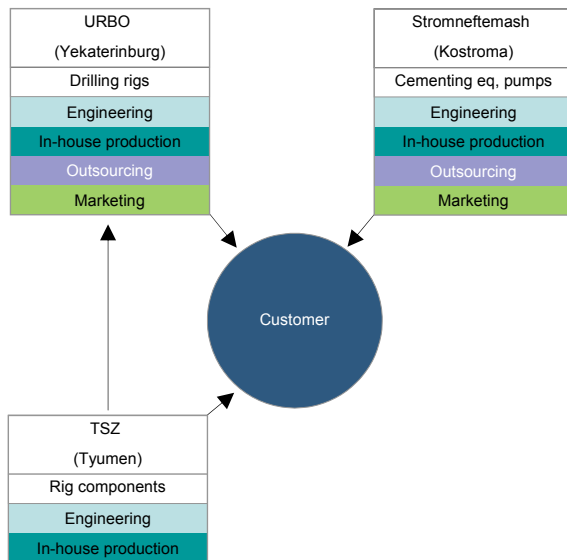
- Substantial, already well modernized production facilities
- Suboptimal use of engineering and marketing functions
- Duplicating functions

Key Steps

- Centralizing engineering and procurement functions
- Introduced Project Management and Marketing
- Manufacturing subsidiaries' function has been narrowed to in-house production only

Key Strategic Goals

- Optimize use of engineering, marketing and management capacity.
- Increase share of in-house production which should lead to margin expansion



Key Advantages

- Lower cost base
- Shorter delivery time
- Improved responsiveness to market requirements
- Strengthening brand and binding clients

5. Financial Performance

Consolidated Financial Statements

P&L



Consolidated P&L, in US\$ mln

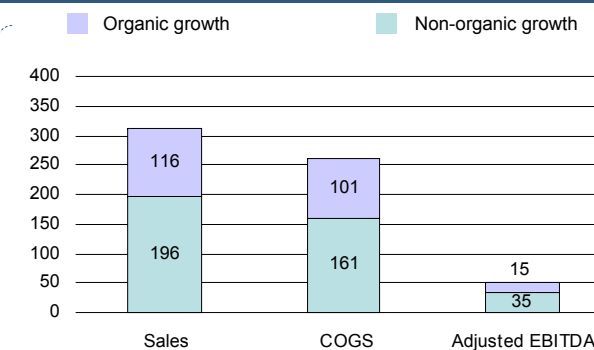
| | 1H2007 | 1H2006 | 2006 | Change, 1H07/1H06, US\$ | Change, 1H07/1H06, % |
|----------------------------------|-------------|------------|-------------|-------------------------|----------------------|
| Revenue | 488 | 176 | 547 | 312 | +176.4% |
| Cost of Sales | (401) | (139) | (426) | (262) | +188.5% |
| Gross Profit | 87 | 37 | 121 | 50 | +135.1% |
| Gross Margin | 17.8% | 21.0% | 22.1% | -3.2% | |
| SG&A | (95) | (32) | (106) | (63) | +196.9% |
| As a % of sales | 19.5% | 18.2% | 19.4% | -1.3% | |
| Adj. EBITDA⁽¹⁾ | 75 | 25 | 96 | 50 | +204.9% |
| Adj. EBITDA margin | 15.4% | 14.0% | 17.6% | +1.4% | |
| DD&A | 67 | 16 | 67 | 51 | +318.8% |
| As a % of sales | 13.7% | 9.1% | 12.2% | +4.6% | |
| Operating (Loss) Profit | (7) | 6 | 12 | (13) | n/a |
| Operating Margin | neg. | 3.4% | 2.2% | n/a | |
| Net Loss | (50) | (5) | (40) | (45) | n/a |
| Net Margin | neg. | neg. | neg. | n/a | |

Source: Company

⁽¹⁾ Adjusted EBITDA represents profit (loss) before interest income (expenses), exchange gains (losses), income taxes, gain on acquisition of subsidiaries, loss on disposal of property, plant and equipment, depreciation and amortization, share-based compensation, share of results of associates and minority interest

Sources of Growth, in US\$ mln

Breakdown of growth of Sales, COS and Adjusted EBITDA by organic/ non-organic



Source: Company data

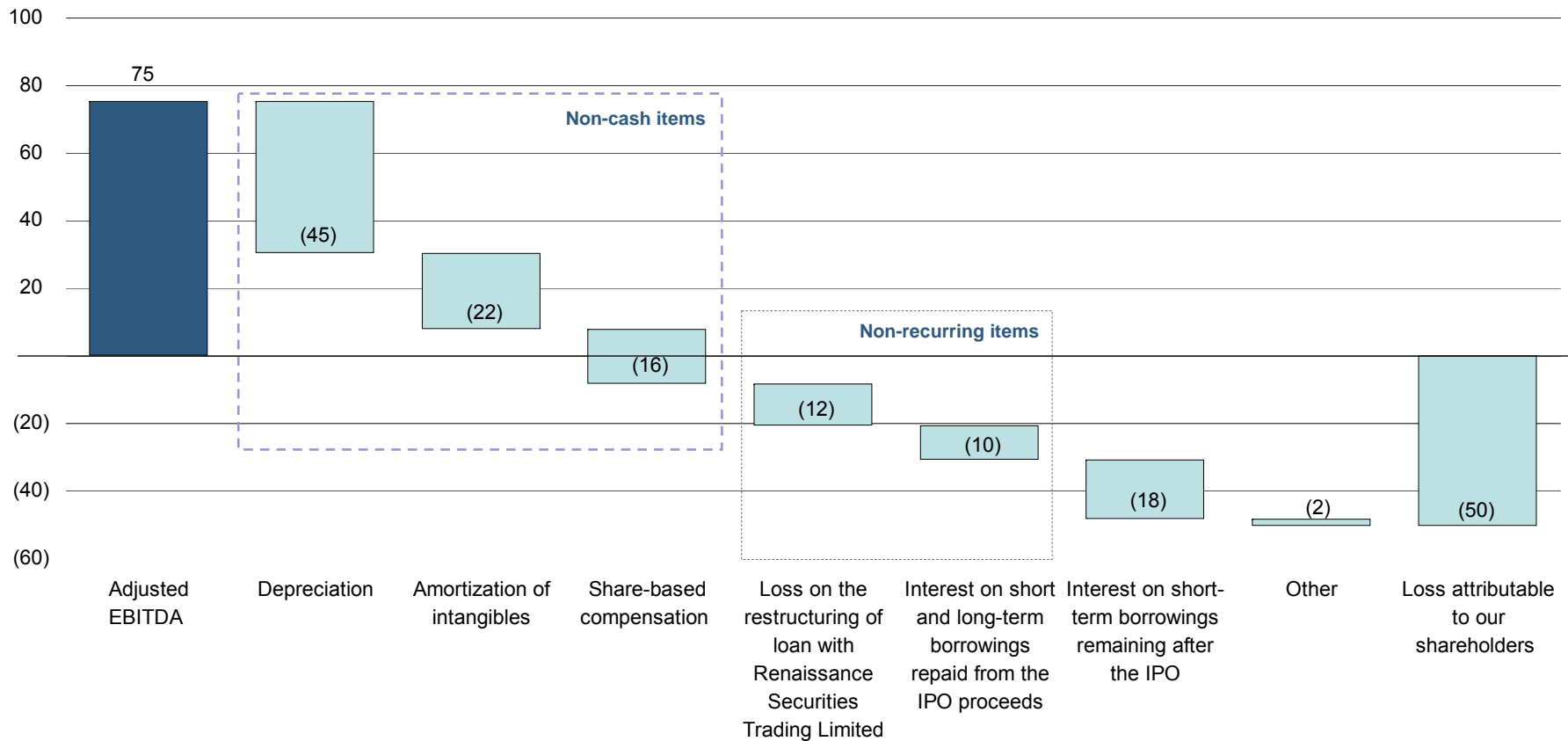
Comments

- Organic growth was primarily attributed to:
 - favorable pricing conditions
 - higher capacity utilization resulting from implementation of Integra's investment program
 - synergies realized by our existing businesses from integration with newly acquired assets

EBITDA Reconciliation



EBITDA/Net income reconciliation, in US\$ mln



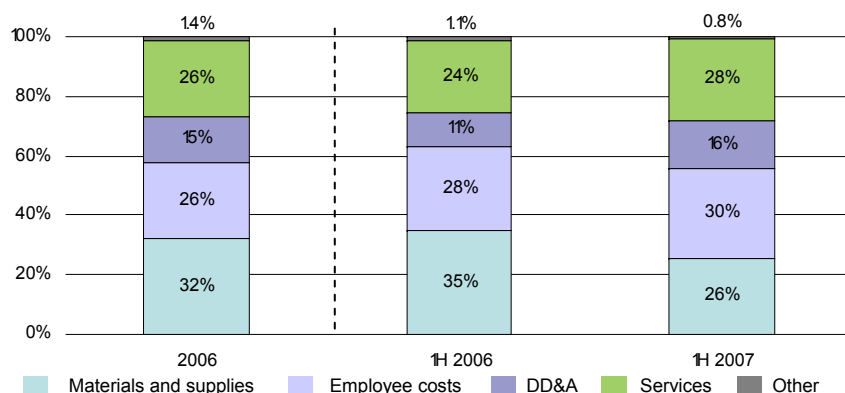
Source: Company

Consolidated Financial Statements

P&L (continued)

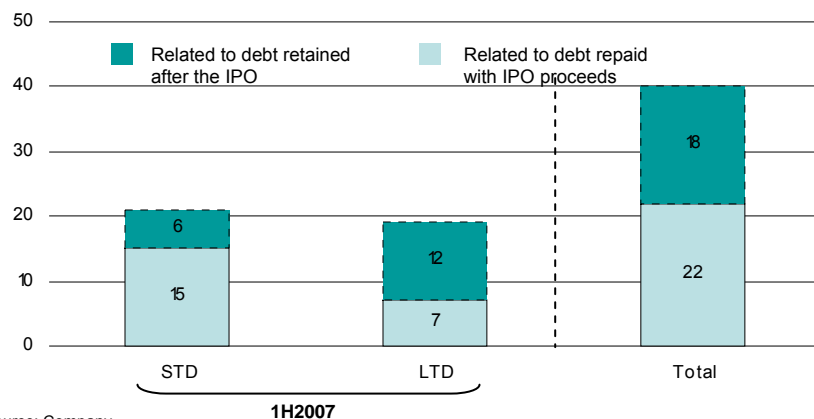


Cost Structure Analysis, %



Source: Company

Interest Expenses, in US\$ mln



Source: Company

SG&A, in US\$ mln

| | 1H2007 | 1H2006 | Comment |
|---|------------|------------|--|
| Employee costs | 39 | 15 | Primarily due to increased number of administrative personnel and introduction of additional corporate functions in Moscow, to a lesser extent due to wage inflation |
| Services | 28 | 8 | Increased requirements for external consulting, legal and financial services, analysis and improvement of internal controls |
| Share based compensation | 16 | 3 | Recognized value of vested options issued throughout 05-06 and 1H2007 |
| Other | 12 | 6 | Social expenses, community service practices of acquired companies |
| Total | 95 | 32 | Overall increase was materially affected by consolidation of Smith Group and YGF |
| As a % of sales | 19% | 18% | |
| As a % of sales excl SB compensation | 16% | 16% | |

Source: Company

Balance Sheet and Cash Flows

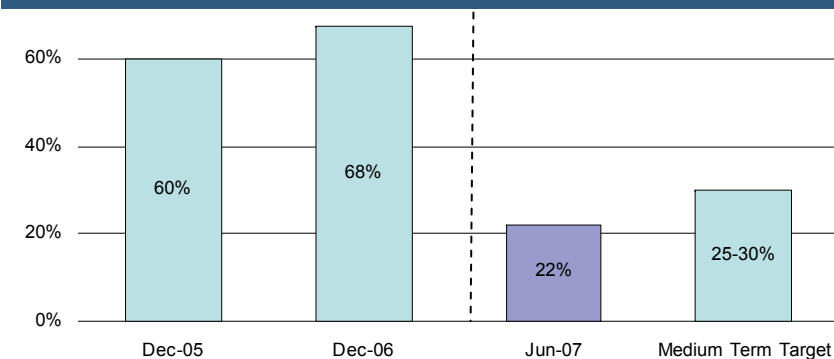


Solid Balance Sheet, in US\$ mln

| | 1H2007 | 2006 | Change,% |
|-------------------------------|--------|-------|----------|
| Assets, including | 1,543 | 1,240 | +24% |
| Cash | 232 | 88 | +164% |
| Liabilities, including | 712 | 963 | -26% |
| ST Debt | 25 | 340 | -93% |
| LT Debt | 207 | 246 | -16% |
| Equity | 831 | 277 | +200% |

Source: Company

... with the gearing ⁽¹⁾ becoming close to target



Source: Company

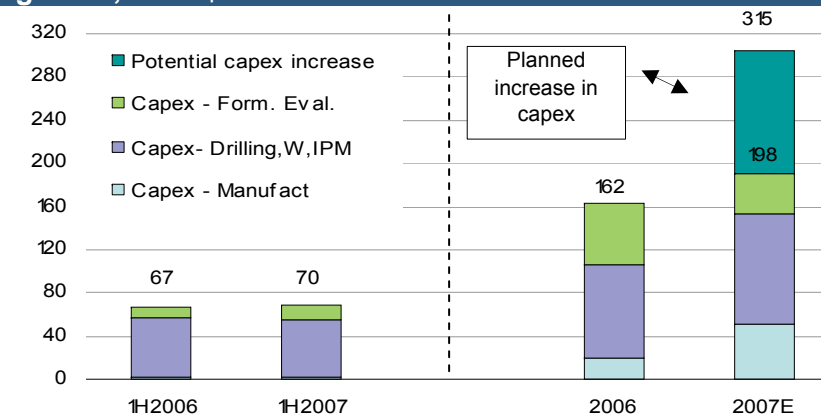
⁽¹⁾ Gearing defined as (short term debt + long term debt)/(short term debt + long term debt + BV of equity)

1H2007 – First Reporting Period with Positive OCF, in US\$ mln

| | 1H2007 | 1H2006 | Change,% |
|-----------------------------|--------|--------|----------|
| Operating cash flow | 71 | (13) | n/a |
| Investment cash flow | (121) | (95) | 27% |
| Financing cash flow | 187 | 98 | n/a |

Source: Company

Capital Expenditures – strong investments in organic growth, in US\$ mln



Source: Company

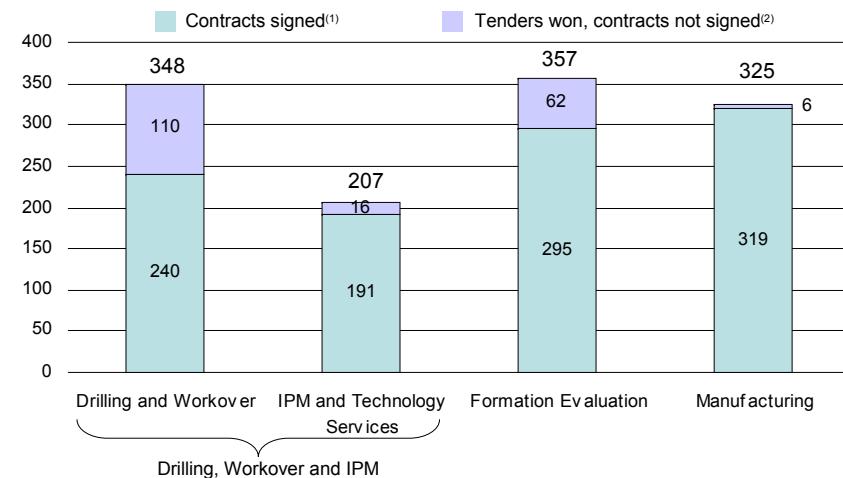
Outlook for 2007



Comments

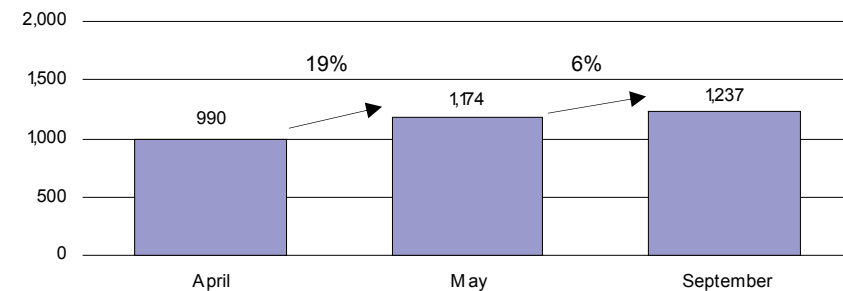
- The outlook for the remainder of 2007 remains strong.
- Majority of revenues and profit is generated in the second half of the year due to the seasonality
- As of September 10, 2007, signed contracts for business in 2007 is over USD 1,043 million
- Total revenue backlog of USD1,237 million for 2007
- Share of long-term contracts increasing making business more predictable
- The reorganization program remains on track, and the Company expects the initial results of these efforts to be more visible in our financial indicators for 2H 2007

Revenue Backlog for 2007, US\$ mln



⁽¹⁾ Probable. Contracts can be modified or cancelled; ⁽²⁾ Possible
Source: Company

Revenue Backlog Dynamics, US\$ mln



Source: Company

6. Investment Highlights

Investment Highlights

