



# EURASIA DRILLING COMPANY LTD

## 2011 Interim Period Results

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September 2011

# Disclaimer



EDC Overview



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Strategic Focus



Summary



Q&A

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# Agenda

- Overview: EDC at a glance
- Investment case
- Performance and positioning
- Strategic Focus
- Summary
- Q&A



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# EDC at a glance



## THE LARGEST DRILLING COMPANY IN RUSSIA AND THE CIS

### Financial highlights

	1H2011	Growth
■ Revenue	US\$ <b>1,265</b> million	+47% vs. 1H2010
■ EBITDA	US\$ <b>267</b> million	+29% vs. 1H2010
■ Net Income	US\$ <b>151</b> million	+44% vs. 1H2010

### Operational highlights

■ Operating statistics:	<b>2,324,722</b> meters drilled	+18% vs. 1H2010
	<b>364,785</b> horizontal meters drilled	+113% vs. 1H2010
■ Market share:	<b>25%</b> by meters drilled in Russia	
■ Production assets:	<b>224</b> Drilling Rigs	
	<b>330</b> Workover Rigs	
	<b>2</b> Jack-up Rigs	

### Strategic highlights

- Completed a transaction with Schlumberger to exchange assets and enter into a Strategic Alliance in the CIS
- Acquired from Transocean a jack up rig *TRIDENT 20* in the Caspian Sea
- Signed a Letter of Intent with Slavneft to acquire their in-house drilling assets

### Key customers



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# Geographic presence

- ★ Head Office
- Regional/Branch Office
- Support Base
- ⚙️ Operational Areas



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# Russian market



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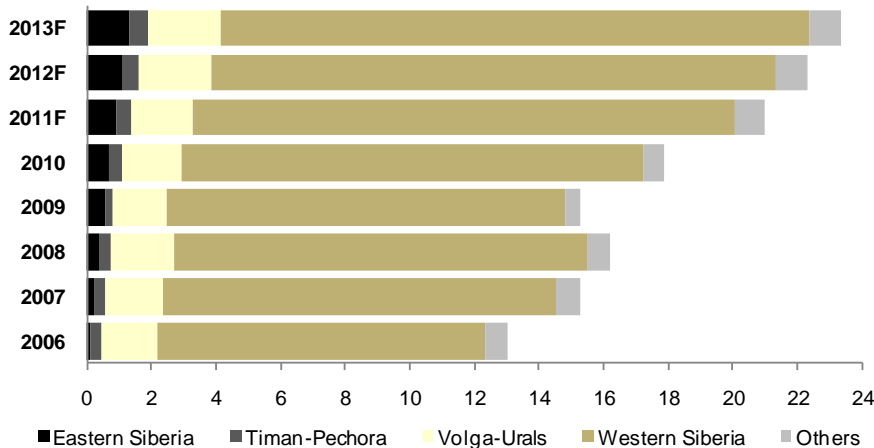


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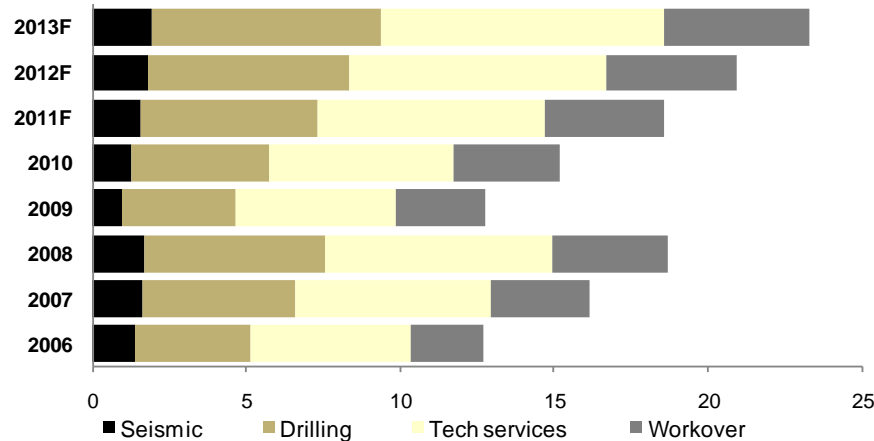


Q&A

## Russia's onshore market by meters drilled (mln)



## Russia's onshore OFS market (US\$ billion)



- Drilling volumes in Russia grew at more than **8%** between 2006-2010
- As per REnergyCo, demand for drilling is expected to grow approx. **9.3%** per year, to over 23 million meters in 2013
- Based on current drilling rates, and including certain efficiency improvements, the onshore rig fleet in Russia may be nearing **1,100** active rigs by 2013
- Rig demand and E&P capex growth rates will be faster in Greenfield areas, where drilling is more complex and penetration rates are lower
- The expected growth of over **15%** pa is predicted for OFS market in US\$ terms & over **18%** pa for drilling through 2013

# Russian oil industry



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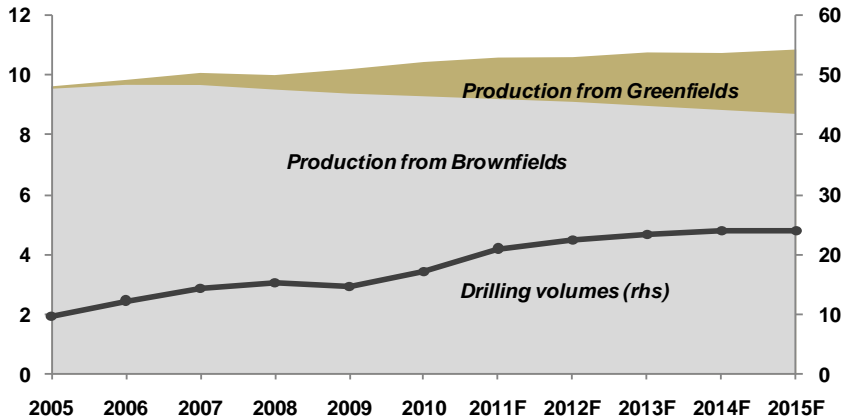


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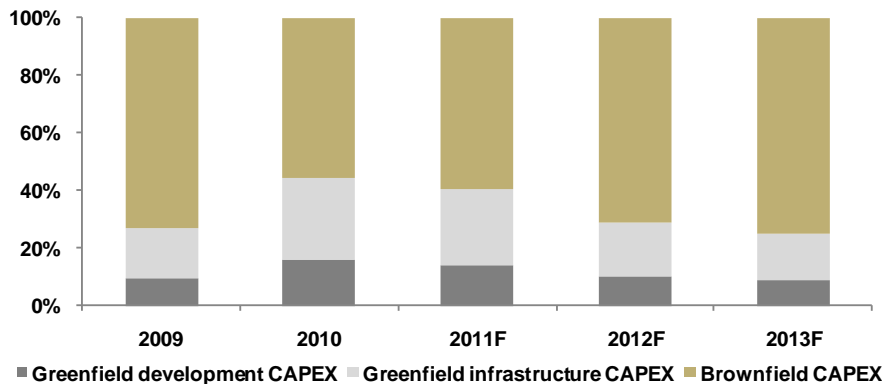
Q&A

## Russia's crude oil production (kbpd)



- The crude oil production from Brownfields accounts for 85-90% of Russia's total output, but has been declining since 2008 as drilling growth rates have slowed down
- The decrease in Brownfield production was mainly offset by the contribution from Greenfields in Eastern Siberia, Timan-Pechora, the Caspian & Sakhalin
- The mitigation of decline in Brownfield output (mainly Western Siberia) is central to sustain crude oil output in Russia

## Russia's upstream CAPEX breakdown

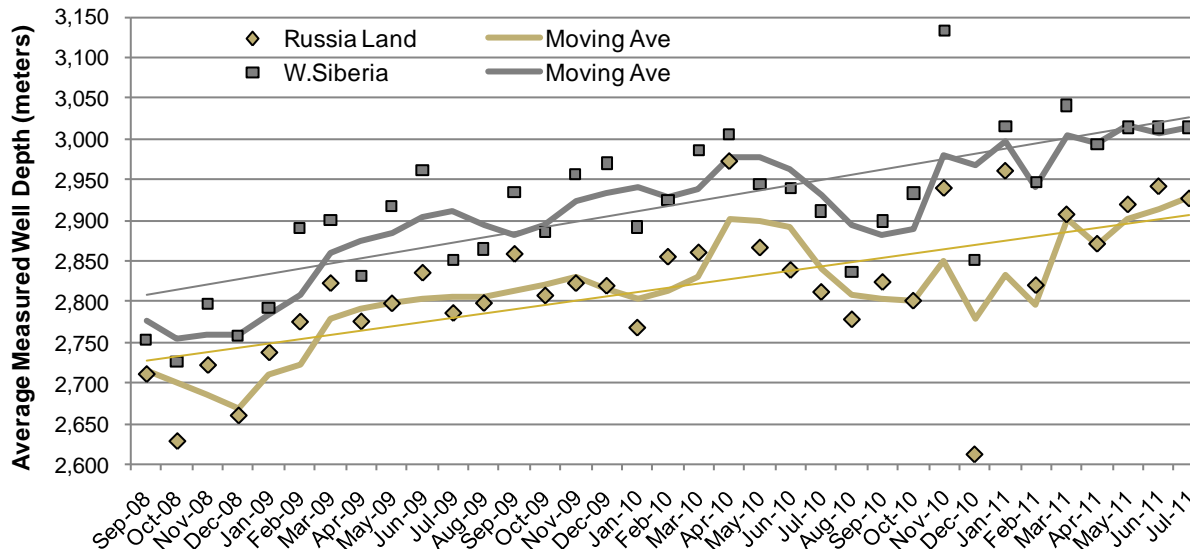


Source: Goldman Sachs, REnergy Co (drilling volumes)

# Drilling complexity is increasing

- Customers demanding hi-spec rigs
- Depths/complexity increasing
- Assets are becoming scarce
- Logistics more challenging
- Fleets must be modern
- Fleets must be heavier
- Fleets must be more efficient
- Fleets must be more mobile

**Average Well Depths (MD)  
Onshore Russia (Drilled by BKE)**



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# Horizontal drilling

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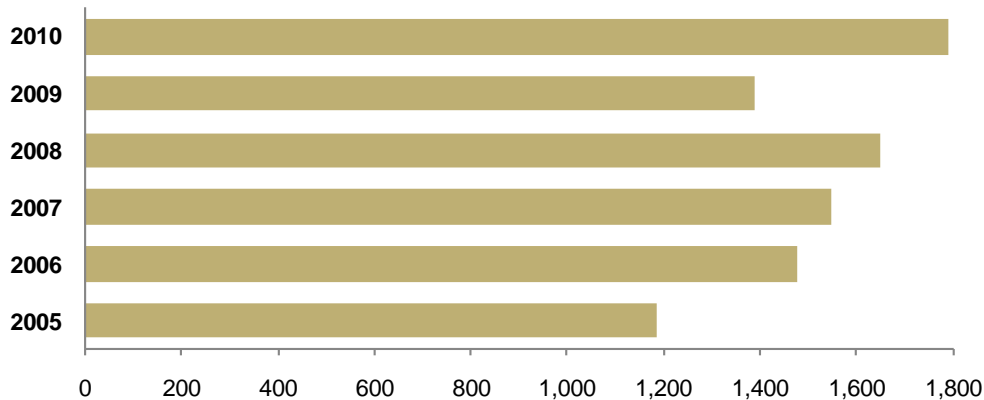
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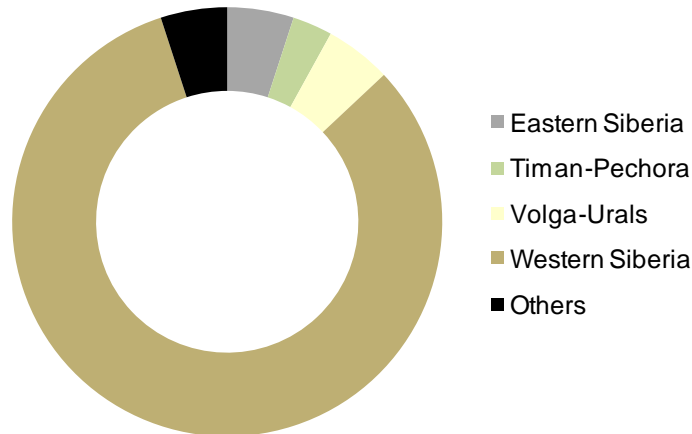
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## Horizontal drilling volumes in Russia (th. meters)



## Horizontal drilling breakdown by regions in 2010 (meters)

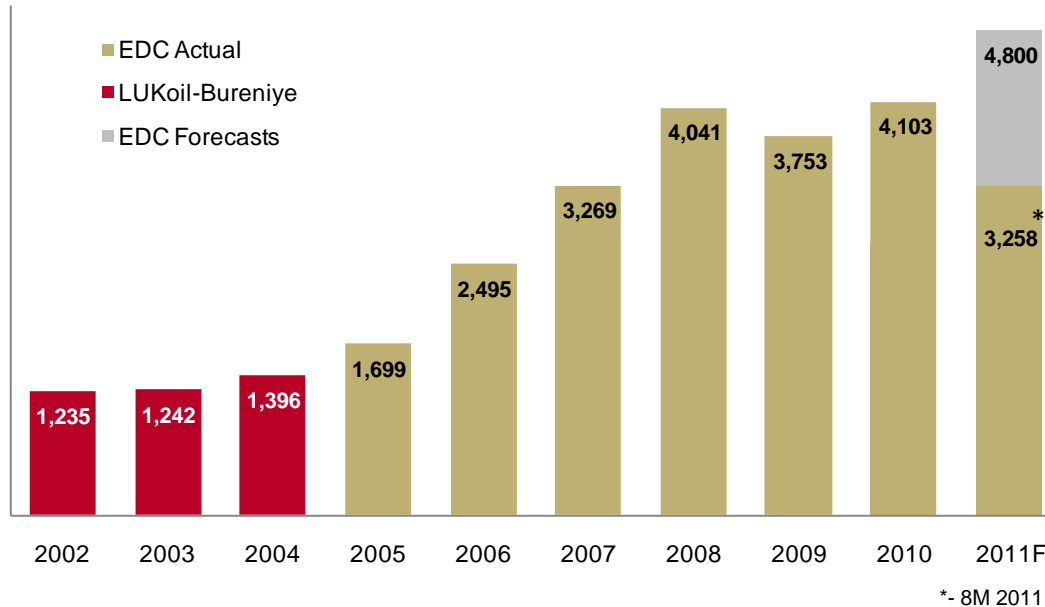


- Migration toward exploitation of more challenging geologies and isolated oil reserves requires more sophisticated drilling technologies and techniques
- Horizontal & Extended Reach Drilling have proven to be among the most successful technologies for extracting hydrocarbons in complex and depleted reservoirs

- In 2010 82% of total horizontal meters drilled in Russia were drilled in Western Siberia
- Horizontal drilling techniques allow for:
  - Cost reductions (e.g. less rig moves)
  - Less land disturbance
  - Increased exposure of reservoir face to wellbore
  - Increased initial flow rates

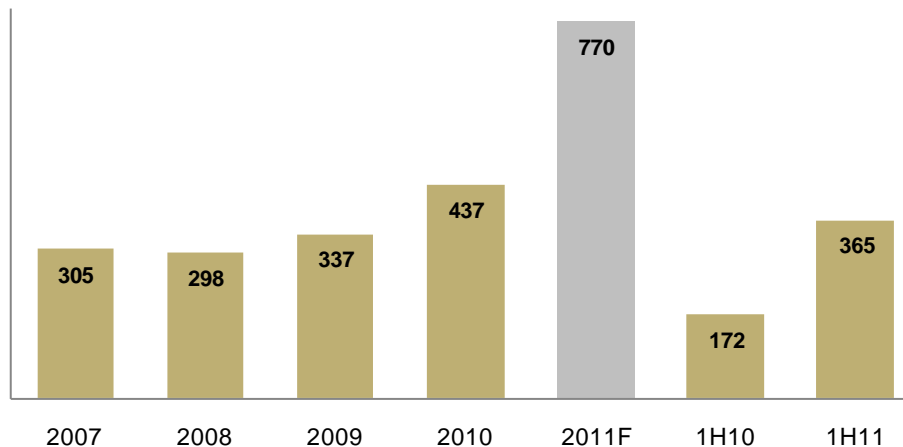
# Operating performance

## EDC drilling volume performance (th. meters)



- **19% CAGR** in drilling volumes during EDC's history as an independent driller-**growth was all organic**
- Starting from the end of April, 2011 EDC consolidates drilling volumes of assets acquired from Schlumberger

## EDC horizontal drilling volumes (th. meters)



- EDC successfully employs horizontal drilling techniques, increasing horizontal meters and wells drilled from year to year
- In 1H11 horizontal drilling volumes increased 113% vs. 1H10

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# Rig fleet and CAPEX

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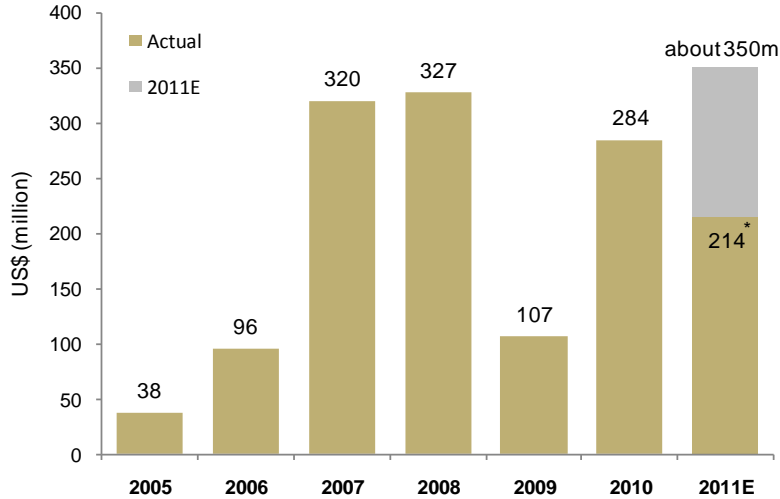
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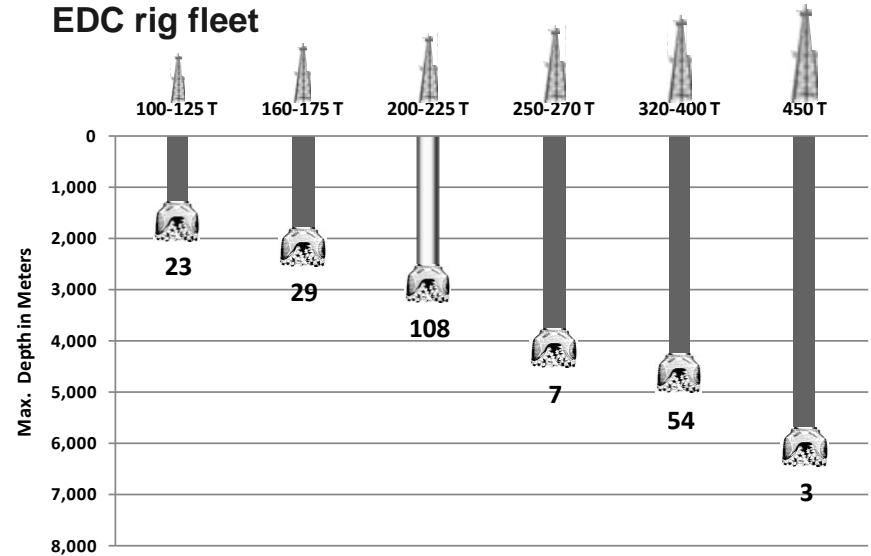
Q&A

## EDC capital expenditures (\$US mln)



Note: Purchases of property, plant and equipment as set forth in EDC's audited consolidated statements of cash flows for the years ended 31 December 2005, 2006, 2007, 2008, 2009 & 2010  
\*- 1H2011, unaudited

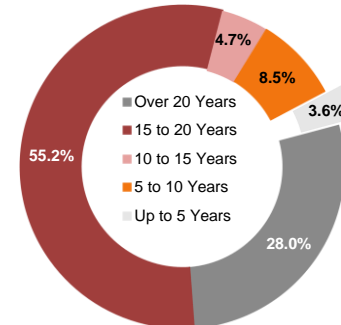
## EDC rig fleet



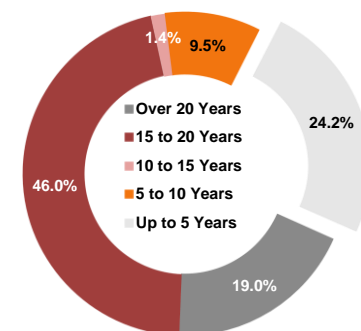
\*- Includes 17 (200 ton) and 2 (270 ton) drilling rigs from Schlumberger

- EDC has a fleet of **224 drilling rigs** as of June 30, 2011 vs 211 rigs as of December 31, 2010
- 19 drilling rigs** were added from Schlumberger during 1H2011
- In the end of 2010 EDC ordered **13 new drilling rigs** with the delivery times commencing 2H2011 as fleet replacement/growth/upgrade

## Russian fleet age

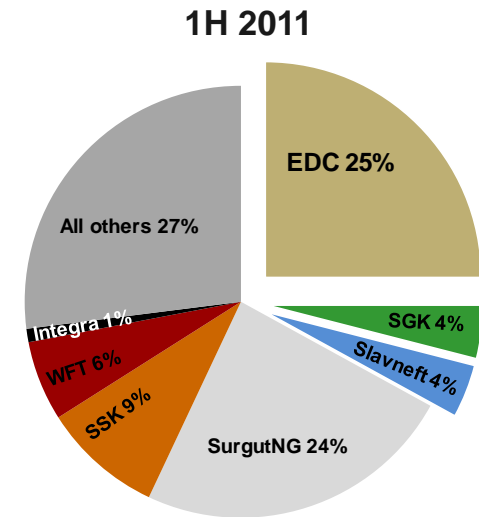
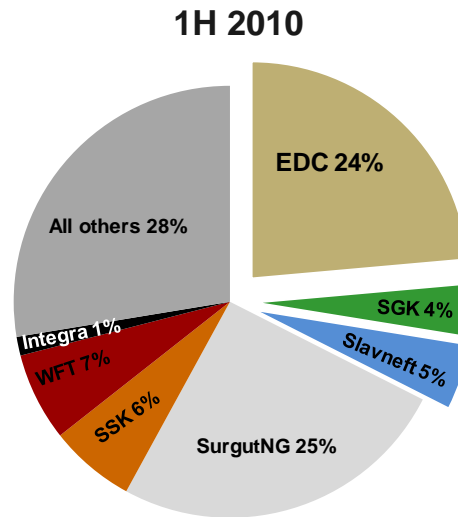
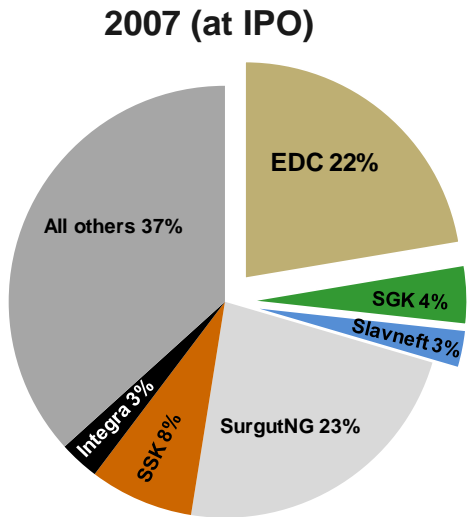


## EDC fleet age



Source : Douglas Westwood (2009), Company estimates

# Market share (by meters drilled)



- In 2007 EDC made an IPO being the largest independent drilling contractor in Russia
- The Company grew significantly since then and in 2011 EDC is the largest drilling company in the CIS and Eastern Hemisphere
- In 2005, a first year of operations as an independent Company, the market share was c. 17% that grew to 22% in 2007 by expanding the work scope for our existing customers and successfully tendering for the new ones

- The Russian market grew 14% in drilling volume terms vs 1H09
- There was a strong revival in drilling activity during 1H10 after 2009 crisis year
- EDC increased its volumes by 3% only vs. 1H09, but ramped up during 2H10 resulting in a record drilling volumes of 4.1 mln meters
- EDC's market share was at 24%, below 1H09 indicator, caused by expansion in drilling operations by the in-house drilling divisions of many Russian oil majors, including SurgutNG

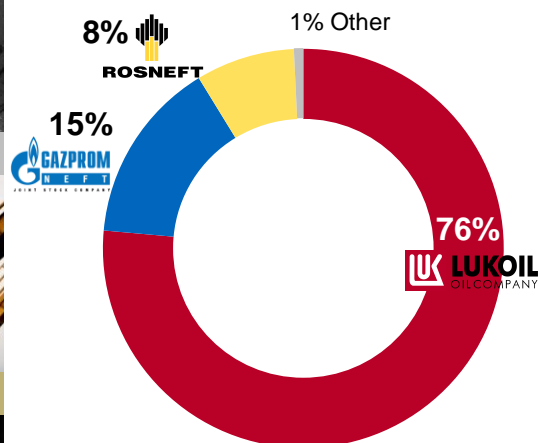
- The Russian market grew 11% in drilling volume terms vs 1H11
- A relatively mild winter contributed to a strong drilling activity in 1Q11
- E&P companies have maintained their upstream Capex spending as both the price of crude oil and the ruble remained relatively stable through the period
- The growth of EDC's market share to 25% was attributable to the consolidation of Schlumberger drilling assets late April 2011

Sources: CDU TEK and Company estimates, based on Russian Onshore meters drilled

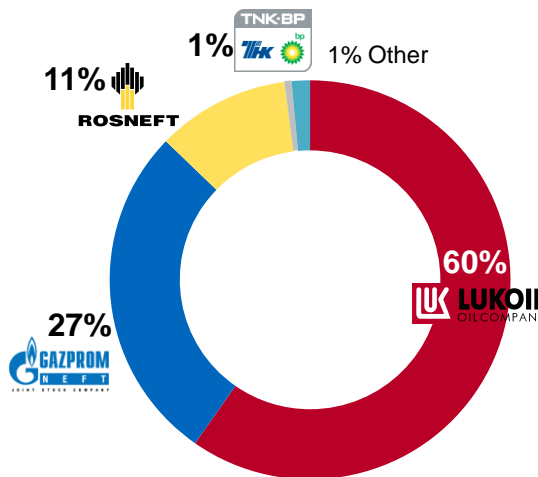


# Customer diversification (by meters drilled)

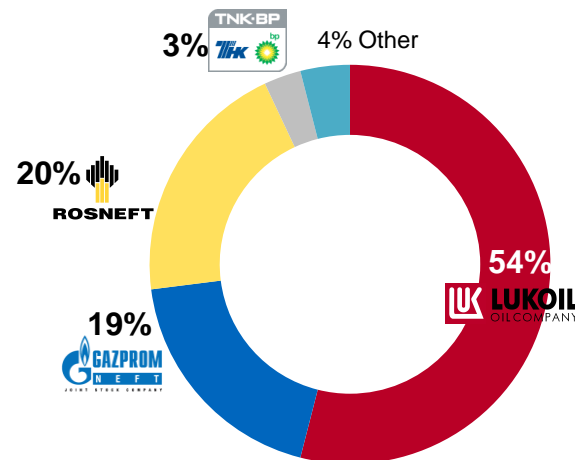
2007 (at IPO)



1H 2010



1H 2011



- In 2007 the share of non-Lukoil customers was 24%
- In the end of 2006 we concluded a contract with Rosneft for drilling services to Yuganskneftegas in Western Siberia
- In 2008 we commenced drilling operations on Rosneft's Vankor field in Eastern Siberia
- Commenced drilling operations in Kazakhstan with two rigs for Kazakhoil Aktobe
- In 2010 we won important contracts for drilling with TNK BP as well as PechoraNeft and Rusvietpetro
- In 2010 we continued to work for four other clients in Russia, including RussNeft and Samara-Nafta
- Our continuous efforts on diversifying our customer base, resulted in increase in share of non-Lukoil customers to 40% in total meters drilled
- We drilled 795 thousand meters for non-Lukoil customers during 1H10-12% above 1H09
- During 1H11 Lukoil's share in total drilling volumes decreased to 54%, but the drilling volumes increased 5% y-o-y
- Together with the Schlumberger rigs, our total volume with Rosneft more than doubled, and they are now our second largest customer (increase in volumes excl. SLB is 62% y-o-y)
- Drilling volumes for TNK-BP are six times larger y-o-y, but we only began drilling for them in May 2010
- As we integrate further Schlumberger & Slavneft drilling assets, the share of Lukoil will account for c. 50% of total meters drilled in 2011

Sources: Company data

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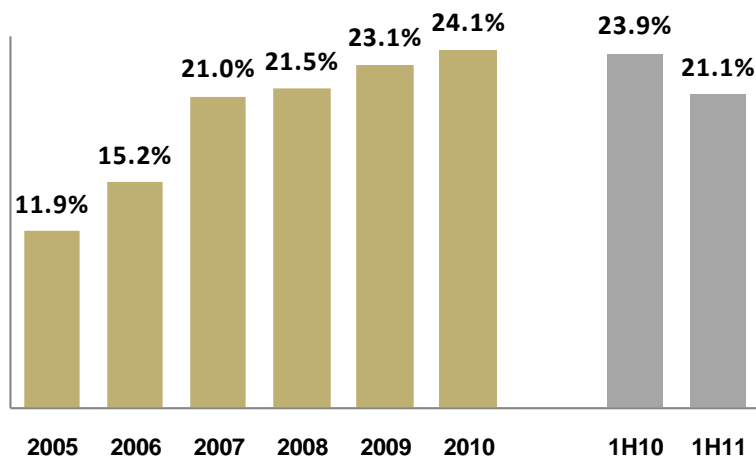
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# Key financial highlights

(US\$ thousands)	2007 Audited	2008 Audited	2009 Audited	2010 Audited	1H 2010 Unaudited	1H 2011 Unaudited
<b>Revenue</b>	<b>1,492,189</b>	<b>2,101,779</b>	<b>1,382,203</b>	<b>1,812,156</b>	<b>862,013</b>	<b>1,265,282</b>
% growth	37.2%	40.9%	-34.2%	31.1%	28.0%	46.8%
<b>EBITDA</b>	<b>313,751</b>	<b>452,720</b>	<b>319,813</b>	<b>435,847</b>	<b>206,343</b>	<b>267,021</b>
% margin	21.0%	21.5%	23.1%	24.1%	23.9%	21.1%
<b>Net income</b>	<b>168,544</b>	<b>220,933</b>	<b>165,490</b>	<b>207,353</b>	<b>104,810</b>	<b>150,601</b>
% margin	11.3%	10.5%	12.0%	11.4%	12.2%	11.9%
Operating cash flow	173,320	309,851	409,507	322,553	109,599	125,010
Free Cash Flow	(146,420)	(17,164)	302,692	38,776	(9,713)	(89,726)
Capital Expenditures	319,740	327,015	106,815	283,777	119,312	214,736
Net cash/ (net debt position)	58,684	16,571	251,549	225,549	219,268	(364,933)
Dividend per share (US\$)	n.a.	\$ 0.25	\$ 0.25	\$ 0.31	\$ 1.22	\$ -
EPS (US\$)	\$ 1.31	\$ 1.51	\$ 1.22	\$ 1.44	\$ 0.75	\$ 1.03

## EBITDA margin



- The decrease in EBITDA margin for 1H11 to 21.1% is caused by:
  - changes in the mix of services in our core business leading to a higher component of third party services which are largely pass through costs,
  - and several identifiable one-off charges during the period, including costs related to the integration of recent acquisitions.

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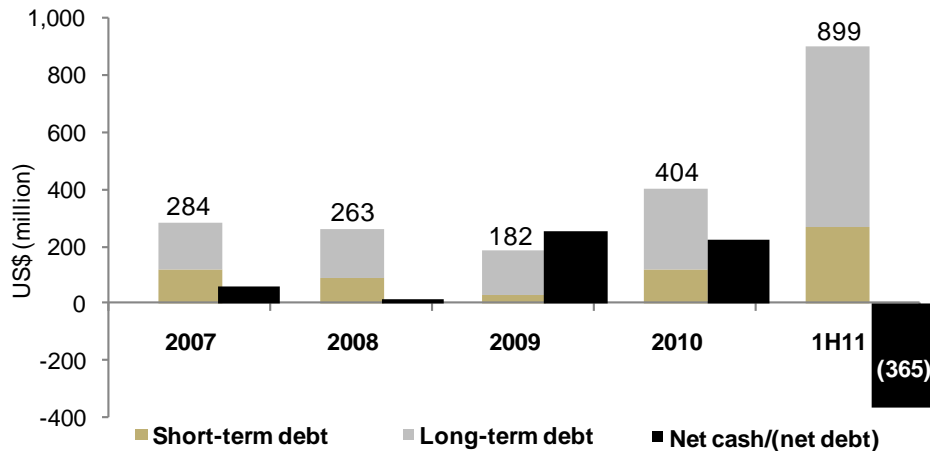
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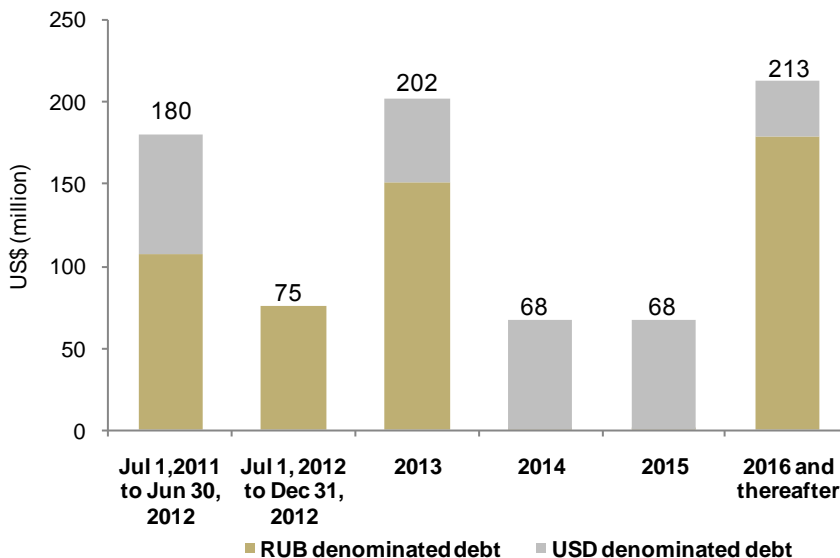
# Debt profile

## Debt structure



- To finance the announced acquisitions the Company raised the following debt late in 2010 and during 1H11:
  - 3-years ruble denominated loan from Alfa bank at 8.4% for c. US\$ 276 mln
  - 5-years USD denominated loan from Raiffeisen Bank at 5.65% for US \$220 mln
  - 7-years ruble bonds at 8.4% for c. US \$178 mln

## Debt maturity profile



- Net debt/EBITDA should not exceed 1x for the full year of 2011
- As of June 30, 2011 US\$ denominated debt accounts for 43% of total outstanding debt



# Key strategic focus

EDC Overview

## Increase market share

- Acquire up to two in-house and/or independent drilling companies
- Continue to invest in fleet expansion and upgrades
- Leverage capacity and efficiency leadership to gain market share with existing customers

- ✓ *SLB drilling assets will add 3-4% FY*
- ✓ *Slavneft drilling assets will add a further 3-4% FY*
- ✓ *In 2010 ordered 24 high-capacity drilling rigs for 2011/2012 delivery as a first stage*
- ✓ *By 2012, roughly one in three new wells in Russia will be being drilled by EDC rigs and crews.*

Investment Case

## Growth of customer base

- Target acquisition of businesses with diverse customer portfolios
- Continue to differentiate ourselves from our competitors in our domestic markets
- Evaluate other strategic opportunities outside of Russia and the CIS

- ✓ *TNK-BP, Russia's 3rd largest oil producer, became our customer in 2010*
- ✓ *SLB assets work primarily for Rosneft & TNK-BP, Slavneft assets for Slavneft.*
- ✓ *In 2011, LUKOIL, will account for 50% or less of our total meters drilled*

EDC's Position

## Expansion in offshore drilling

- Commission new offshore drilling assets in response to market developments
- Consolidate the market through acquisition of existing assets where possible
- Develop offshore extended-reach drilling capability

- ✓ *Acquired Trident 20 from Transocean that is on long-term contract with Petronas*
- ✓ *Contracted Lamprell to build a new j/u rig for the Caspian*
- ✓ *In 2011 the drilling package on LSP-1 platform will be upgraded for extended-reach drilling and our crews will be trained in advanced ERD techniques*

Strategic Focus

## Expand & improve workover capacity

- Conclude integration of W. Siberia W/O assets acquired in 2009 within existing workover structure
- Target selected acquisitions of additional workover and sidetracking capacity

- ✓ *June 2010 acquisition of OOO Meridian added 18 workover crews in the Komi Republic, expanding our presence in Timan-Pechora*
- ✓ *The SLB transaction added 34 workover and 23 Sidetracking rigs to our fleet, total workover fleet to 330 rigs*

Summary

## Broaden technology platform

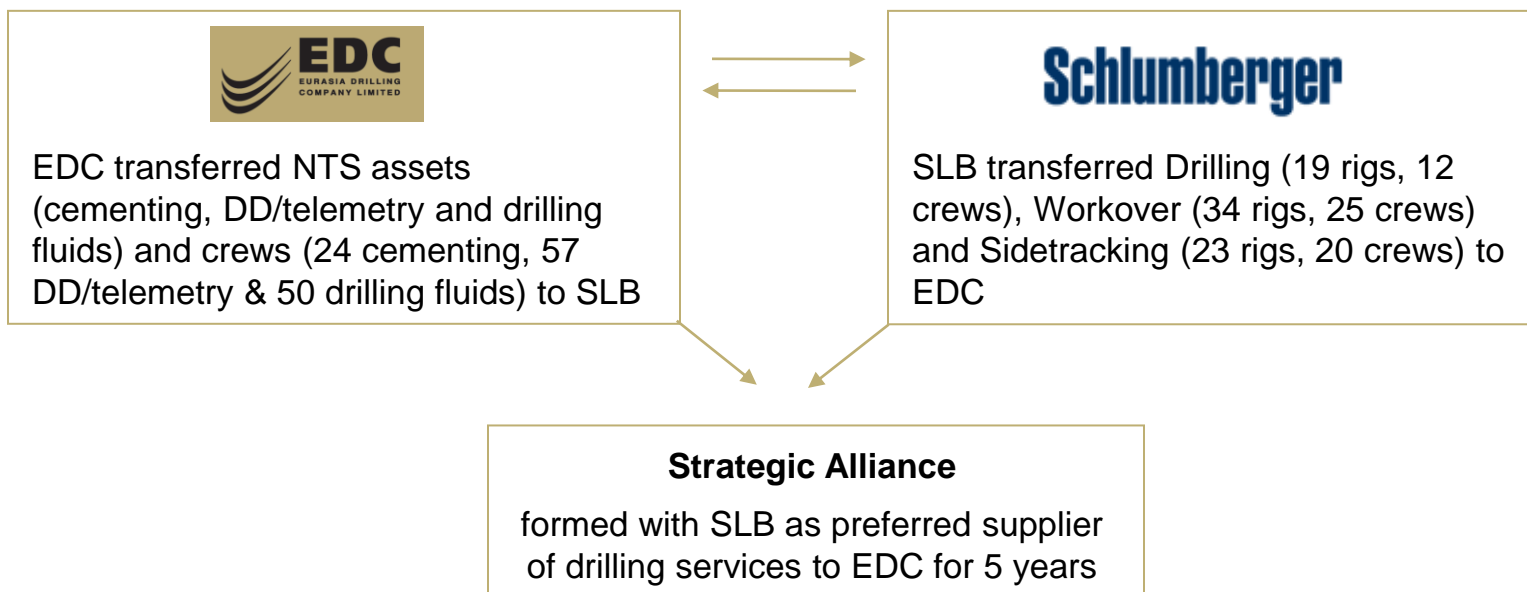
- Expand and improve core drilling service offerings in advance of divestiture
- Develop and promote strategic partnerships with global technology leaders

- ✓ *Strategic Alliance with Schlumberger will provide us an access to best in class services*

Q&A

# Strategic Alliance with SLB

- Transaction with Schlumberger closed April 28<sup>th</sup>, 2011
- Total value of transaction US \$260 million
  - Assets transfer, plus cash consideration of US \$173 from EDC to SLB



- Contribution to 1H11 operations (two months results of SLB assets are consolidated to EDC in 1H11):
  - 8 pp to total growth of meters drilled over 1H10 (18% vs. 1H10)
  - 5pp to the increase in Rosneft share in total meters drilled (20% in 1H11 vs 11% in 1H10)
  - 1pp to our market share (25% for 1H11 vs 24% for 1H10)
  - TNK-BP- the new workover client (Samotlor field)
- Projected 2011 EBITDA contribution approx. US \$75-80 million

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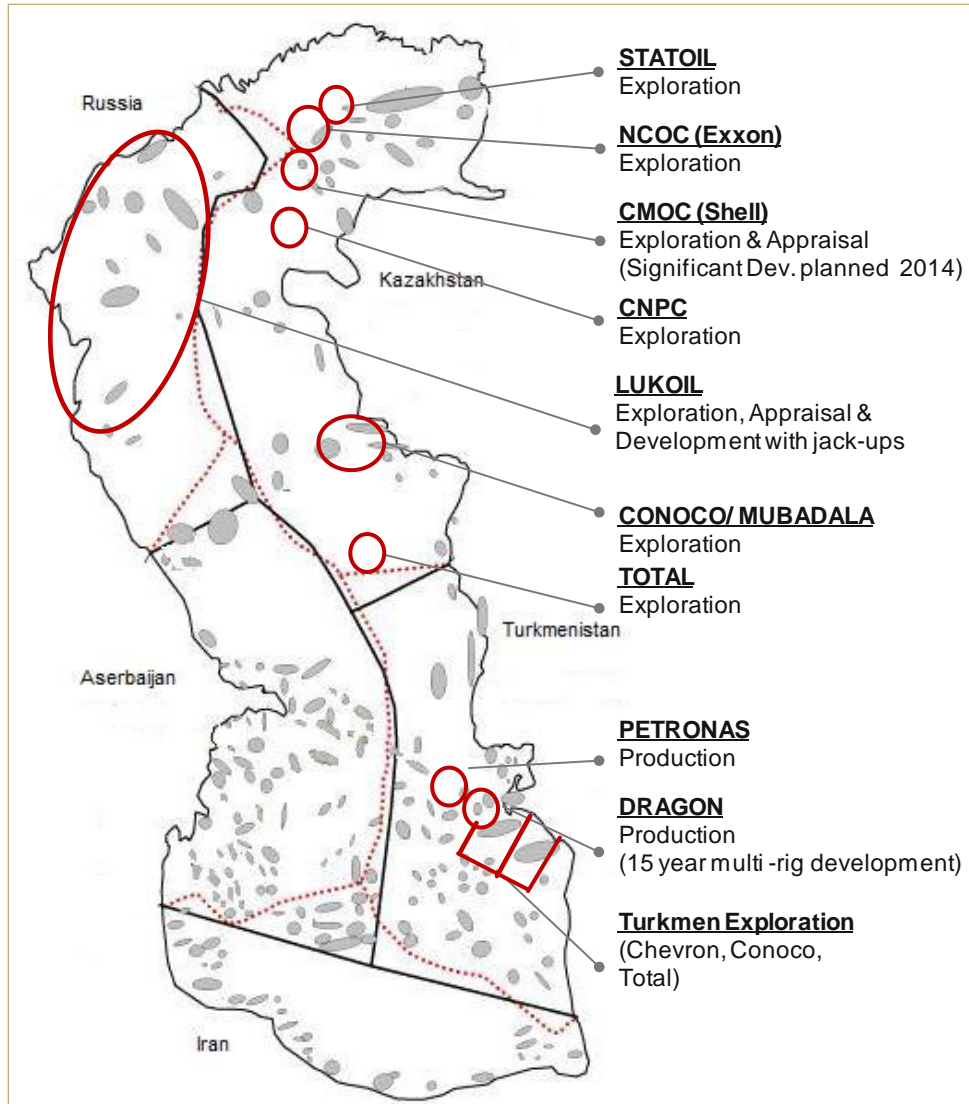
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# Caspian Sea jack-up market



## Demand for jack-ups growing in all Caspian sectors served by EDC:

- In the Russian sector, Lukoil has made a number of discoveries and has several appraisals/prospects to drill
- Numerous blocks are in exploration phase in Kazakh waters, and some developments are being planned
- Offshore Turkmenistan is currently in development phase using jack-ups off small platforms. Additional exploration blocks are being looked at by numerous potential operators
- Currently 3 jack ups active in the Caspian; demand by 2013 expected to be 6-7 rigs

## EDC actions to address demand:

- Nov-10 contract with Lamprell Plc to build a new jack up, expected to be completed late 2012
- Feb-11 acquired *TRIDENT 20* from Transocean

# Offshore operations

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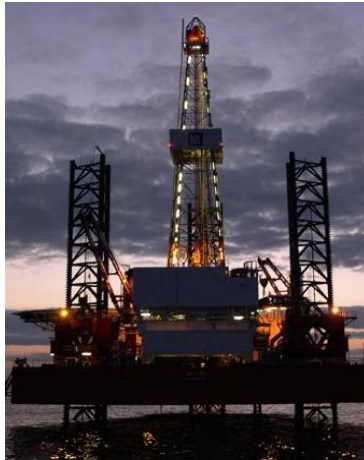
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## ASTRA jack up rig



- Baker Marine (BMC) 150 H cantilever jack-up
- Operates in water depths up to 150 feet and capable of drilling to 15,000 feet
- During 1H11 two wells were drilled in Russian & Kazakh waters
- In 1Q11 was on paid stand-by

## TRIDENT 20 jack up rig



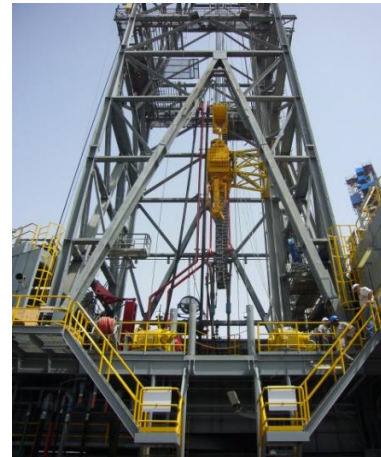
- Keppel FELS CS Mod V cantilever jack-up
- Operates in water depths up to 350 feet and capable of drilling to 26,000 feet
- The rig is contracted to Petronas Carigali through 2012
- During 1H11 one well drilled and one sidetrack operation performed

## LSP-1 platform on Yu. Korchagin field




- Starting late 2009 EDC is a General Contractor on LSP-1 ice-resistant platform on Lukoil's Yu. Korchagin field
- During 1H11 three horizontal development wells were drilled
- The drilling package on a platform is undergoing upgrade in preparation for extended reach drilling

## New build jack up rig



- Lamprell is contracted to build a new jack up rig in Sharjah
- The rig is a LeTourneau designed Super 116E self-elevating Mobile Offshore Drilling Platform
- Designed to operate in water depths of up to 350 feet and capable of drilling to 30,000 feet
- To be completed late 2012

# Outlook



EDC Overview

## 2011 financials

- Total revenue for 2011 is forecast to reach approx. US\$ 2.6 billion
- EBITDA margins are expected to be c. 22%
- Capital expenditures are not expected to exceed US \$350 million, excluding acquisitions



Investment Case

## Onshore Drilling and Workover

- Drilling volume forecast is approx. 4.8 million meters for 2011 incl. Schlumberger & Slavneft contributions
- Client mix expected to diversify further in 2011 through growth with TNK-BP & Rosneft; LUKOIL share in EDC's total drilling volume is projected to be approx. 50%
- Strong Workover and Sidetrack activity expected in 2011 with addition of SLB assets & further integration of W/O assets acquired from LUKOIL in early 2010
- Pricing in ruble terms for the year increased 4-5% versus 2010
- By end 2011 following closure of acquisitions, EDC will be the largest provider of Drilling, W/O and Sidetrack services in Russia



EDC's Position



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## Offshore Drilling

- The *ASTRA* jack-up rig is currently committed for a full 12 month program in 2011 & most 2012
- Operations on Lukoil's Yu. Korchagin field platform are expected to continue throughout the year
- Construction of new Super 116E jack-up rig on schedule; rig expected to begin operations early 2013
- In Feb-11 acquired *Trident 20* jack up rig from Transocean, which is committed through 2012



Summary



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# Forward calendar & contacts



EDC Overview



Investment Case



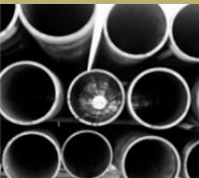
EDC's Position



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## 2011 upcoming events

- September 14-22 Management non-deal road show
- October 5-7 VTB Capital Investment Forum RUSSIA CALLING!
- October 25 AGM (Florence, Italy)
- November 14-18 BoAm Merrill Lynch Russia & CIS 1-1 Conference
- Nov 28- Dec 2 14<sup>th</sup> ING EMEA CEO/CFO Investment Forum

## Investor Relations key contacts

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*Vice President, Marketing and Investor Relations*

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*Senior Vice President, Finance*

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*Manager, Investor Relations*

Email: [Yevgeniya.Bitsenko@eurasiadrilling.com](mailto:Yevgeniya.Bitsenko@eurasiadrilling.com)

# Q&A

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# Appendices

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# Appendix: World's largest drillers



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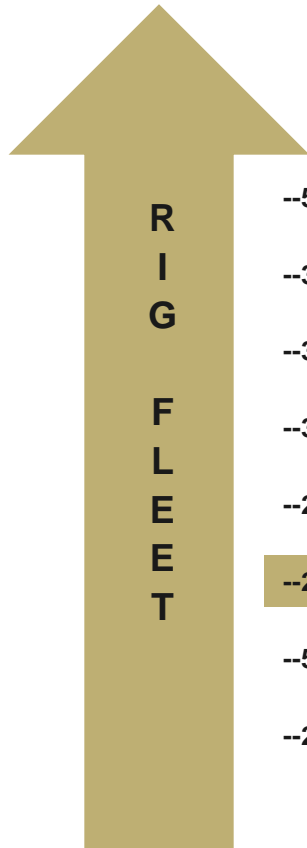
Strategic Focus



Summary

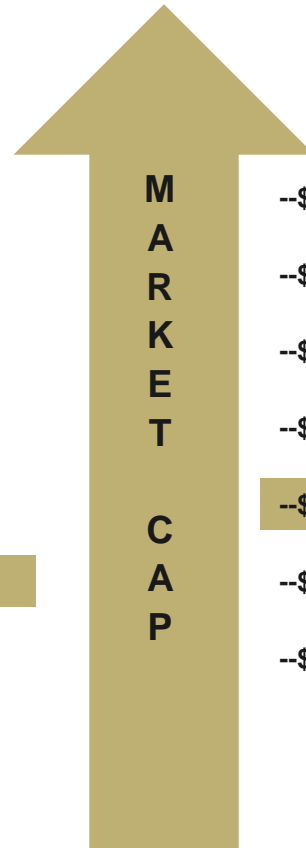


Q&A



--550--	Nabors Industries LTD
--364--	Precision Drilling Corp
--350--	Patterson UTI Energy, Inc
--310--	Ensign Energy Services Inc
--286--	Helmrich & Payne, Inc
--224--	<b>Eurasia Drilling Company Ltd</b>
--55--	KCA Deutag
--28--	Parker Drilling Co.

Sources: companies' info

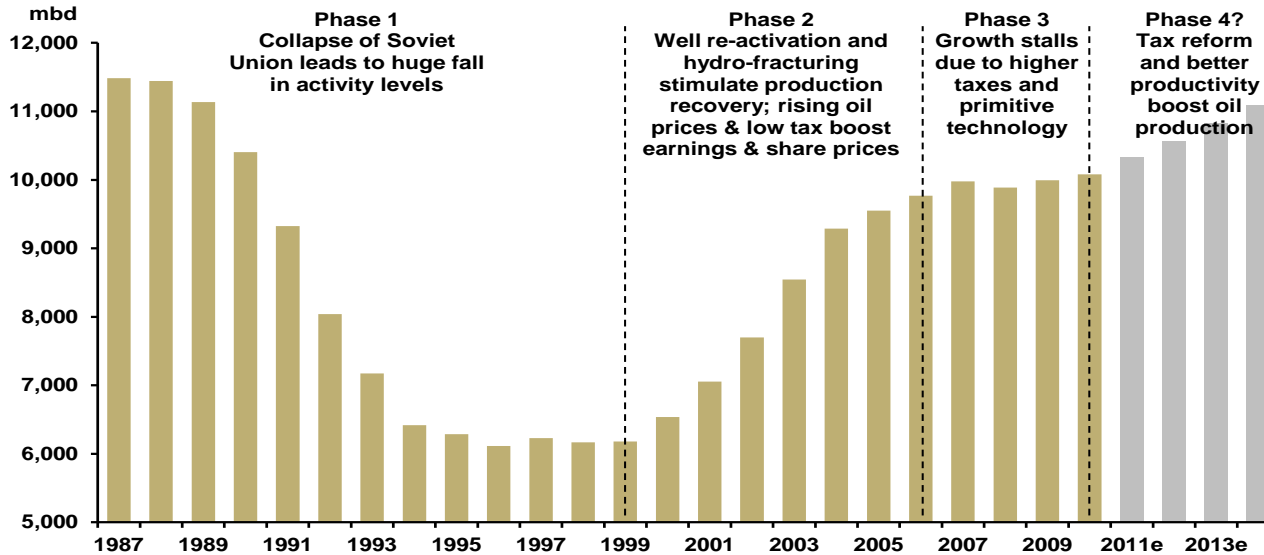


--\$5.9--	Helmrich & Payne, Inc
--\$5.1--	Nabors Industries LTD
--\$3.7--	Patterson UTI Energy, Inc
--\$3.5--	Precision Drilling Corp
--\$3.4--	<b>Eurasia Drilling Company Ltd</b>
--\$3.0--	Ensign Energy Services Inc
--\$0.6--	Parker Drilling Co.

Source: Bloomberg  
Market Cap as of 8 Sep, 2011, US\$ billion

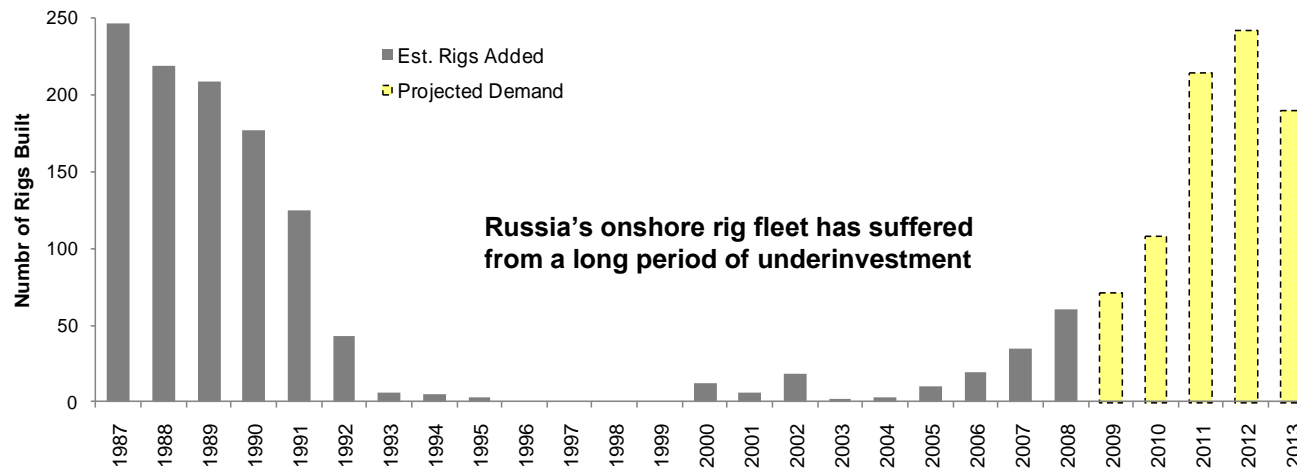
# Appendix

## The Russian oil industry entering a new phase



## Rig demand trends

Source: CDU-TEK, Credit Suisse



Source: Douglas Westwood

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	2007	2008	2009	2010	1H 2010	1H 2011
<i>in US\$ thousands</i>	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Av. Exchange Rate RUB/USD	25.6	24.9	31.7	30.4	30.1	28.6
<b>Total Revenue</b>	<b>\$ 1,492,189</b>	<b>\$ 2,101,779</b>	<b>\$ 1,382,203</b>	<b>\$ 1,812,156</b>	<b>\$ 862,013</b>	<b>\$ 1,265,282</b>
<b>Costs and Other Deductions</b>						
Operating Expenses	1,031,480	1,453,718	912,050	1,195,891	555,368	864,732
Selling, General and Admin. Expenses	90,021	122,011	94,861	106,920	54,659	63,142
Taxes Other than Income Taxes	56,574	72,571	55,061	72,547	45,698	70,536
Depreciation	58,705	101,777	106,390	142,000	67,127	93,412
(Gain)/Loss on Disposal of PP&E	610	4,722	(382)	(6,344)	(5,790)	3,392
Goodwill impairment loss	-	-	-	7,096	-	-
<b>Income/(Loss) from Operations</b>	<b>\$ 254,799</b>	<b>\$ 346,980</b>	<b>\$ 214,223</b>	<b>\$ 294,046</b>	<b>\$ 144,951</b>	<b>\$ 170,068</b>
Interest Expense	29,880	26,553	13,524	15,125	7,629	21,133
Interest and Dividend Income	(4,546)	(9,553)	(10,631)	(7,993)	(6,531)	(3,753)
Currency Transaction Loss/(profit)	(349)	33,017	4,414	7,355	1,870	(1,745)
Net gain on acquisition of business	-	-	(2,849)	(557)	-	-
Gain on business exchange transaction	-	-	-	-	-	(32,861)
Other Expenses	363	759	418	951	(55)	(149)
<b>Income/(Loss) Before Taxes</b>	<b>\$ 229,451</b>	<b>\$ 296,204</b>	<b>\$ 209,347</b>	<b>\$ 279,165</b>	<b>\$ 142,038</b>	<b>\$ 187,443</b>
Income Tax Expense	60,907	75,271	43,857	71,812	37,228	36,842
<b>Net Income/(Loss)</b>	<b>\$168,544</b>	<b>\$220,933</b>	<b>\$165,490</b>	<b>\$207,353</b>	<b>\$104,810</b>	<b>\$150,601</b>
Pat Margin	11.3%	10.5%	12.0%	11.4%	12.2%	11.9%
<b>EBITDA</b>	<b>\$313,751</b>	<b>\$452,720</b>	<b>\$319,813</b>	<b>\$435,847</b>	<b>\$206,343</b>	<b>\$267,021</b>
<b>EBITDA Margin, %</b>	<b>21.0%</b>	<b>21.5%</b>	<b>23.1%</b>	<b>24.1%</b>	<b>23.9%</b>	<b>21.1%</b>
<b>EPS</b>	<b>\$1.15</b>	<b>\$1.61</b>	<b>\$1.24</b>	<b>\$ 1.44</b>	<b>\$0.75</b>	<b>\$1.03</b>

# Appendix: Balance Sheet

	2007 Audited	2008 Audited	2009 Audited	2010 Audited	30-Jun-11 Unaudited
<i>in US\$ thousands</i>					
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash	343,089	279,430	433,724	629,466	533,607
Trade Accounts Receivable, net	230,888	230,147	191,054	235,360	417,352
Inventory	132,822	183,448	116,801	145,633	213,574
Other Current Assets	62,792	61,359	53,270	66,608	85,511
<b>Total Current Assets</b>	<b>\$ 769,591</b>	<b>\$ 754,384</b>	<b>\$ 794,849</b>	<b>\$1,077,067</b>	<b>\$1,250,044</b>
Property, plant and equipment, net	572,132	608,684	684,188	765,184	1,246,757
Other non-current assets	18,080	82,467	44,371	111,817	269,015
<b>Total Assets</b>	<b>\$1,359,803</b>	<b>\$1,445,535</b>	<b>\$1,523,408</b>	<b>\$1,954,068</b>	<b>\$2,765,816</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>					
<b>Current Liabilities</b>					
Trade Accounts Payable, Net	210,337	236,343	228,499	258,706	334,174
Notes Payable - Current LTD & Other	118,911	91,721	31,796	117,550	270,640
Other Current Liabilities	35,783	53,655	90,702	75,030	102,202
<b>Total Current Liabilities</b>	<b>\$ 365,031</b>	<b>\$ 381,719</b>	<b>\$ 350,997</b>	<b>\$ 451,286</b>	<b>\$ 707,016</b>
Notes Payable - Long Term	165,494	171,138	150,379	286,367	627,900
Long Term - Other	7,382	12,135	19,874	31,633	42,009
<b>Total Liabilities</b>	<b>\$ 537,907</b>	<b>\$ 564,992</b>	<b>\$ 521,250</b>	<b>\$ 769,286</b>	<b>\$1,376,925</b>
<b>SHAREHOLDERS' EQUITY</b>					
Paid-in-Capital & APIC	515,649	481,132	471,300	679,856	679,568
Retained Earnings/(loss)	277,855	464,461	596,340	578,989	729,590
Accumulated other comprehensive loss	28,392	(65,050)	(65,482)	(74,063)	(20,267)
<b>Total Shareholders' Equity</b>	<b>\$ 821,896</b>	<b>\$ 880,543</b>	<b>\$1,002,158</b>	<b>\$1,184,782</b>	<b>\$1,388,891</b>
<b>Total Liabilities and Shareholders's Equity</b>	<b>\$1,359,803</b>	<b>\$1,445,535</b>	<b>\$1,523,408</b>	<b>\$1,954,068</b>	<b>\$2,765,816</b>

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*in US\$ thousands*

## ASSETS

### Current Assets

Cash	343,089	279,430	433,724	629,466	533,607
Trade Accounts Receivable, net	230,888	230,147	191,054	235,360	417,352
Inventory	132,822	183,448	116,801	145,633	213,574
Other Current Assets	62,792	61,359	53,270	66,608	85,511

### Total Current Assets

<b>\$ 769,591</b>	<b>\$ 754,384</b>	<b>\$ 794,849</b>	<b>\$1,077,067</b>	<b>\$1,250,044</b>
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## LIABILITIES AND SHAREHOLDERS EQUITY

### Current Liabilities

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Notes Payable - Current LTD & Other	118,911	91,721	31,796	117,550	270,640
Other Current Liabilities	35,783	53,655	90,702	75,030	102,202

### Total Current Liabilities

<b>\$ 365,031</b>	<b>\$ 381,719</b>	<b>\$ 350,997</b>	<b>\$ 451,286</b>	<b>\$ 707,016</b>
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### Total Liabilities

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## SHAREHOLDERS' EQUITY

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Retained Earnings/(loss)	277,855	464,461	596,340	578,989	729,590
Accumulated other comprehensive loss	28,392	(65,050)	(65,482)	(74,063)	(20,267)

### Total Shareholders' Equity

<b>\$ 821,896</b>	<b>\$ 880,543</b>	<b>\$1,002,158</b>	<b>\$1,184,782</b>	<b>\$1,388,891</b>
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### Total Liabilities and Shareholders's Equity

<b>\$1,359,803</b>	<b>\$1,445,535</b>	<b>\$1,523,408</b>	<b>\$1,954,068</b>	<b>\$2,765,816</b>
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# Appendix: Cash Flow Statement

	2007	2008	2009	2010	1H 2010	1H 2011
<i>in US\$ thousands</i>	Audited	Audited	Audited	Audited	Unaudited	Unaudited
<b>Net Income</b>	\$ 168,544	\$ 220,933	\$ 165,490	\$ 207,353	\$ 104,810	\$150,601
Non-cash Adjustments (Depreciation)	58,705	101,777	106,390	142,000	67,127	93,412
Changes in Working Capital excl. Cash	(53,929)	(12,859)	137,627	(26,800)	(62,338)	(119,003)
<b>Cash from Operations</b>	\$ 173,320	\$ 309,851	\$ 409,507	\$ 322,553	\$ 109,599	\$ 125,010
Capex	(319,740)	(327,015)	(106,815)	(283,777)	(119,312)	(214,736)
Acquisition of subsidiary, net of cash acquired	-	-	(23,374)	(43,132)	(23,781)	(557,750)
Sale of subsidiary, net of cash acquired	-	-	-	-	754	95,009
Other Investing Cash Flow	13,589	3,125	4,349	1,719	8,140	14,878
Net Change in Loans	(20,386)	11,872	(84,500)	214,618	(23,476)	469,290
Dividends Accrued or Paid	(10,000)	-	(34,327)	(212,786)	(212,786)	(45,387)
Sale/(purchase) of Treasury/common shares	480,139	(40,100)	(18,621)	204,356	217,589	(2,869)
Refund of offering costs from JP Morgan	-	5,583	-	-	-	-
Effect of exchange rate fluctuations	(3,129)	(26,975)	8,075	(7,809)	(7,281)	20,696
<b>Net increase/(decrease) in cash</b>	<b>\$ 313,793</b>	<b>\$ (63,659)</b>	<b>\$ 154,294</b>	<b>\$ 195,742</b>	<b>\$ (50,554)</b>	<b>\$ (95,859)</b>

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