

ION GEOPHYSICAL CORP  
Form 8-K  
February 17, 2011

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K  
CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
Date of Report: (Date of earliest event reported): February 11, 2011  
ION Geophysical Corporation  
(Exact name of registrant as specified in its charter)**

**Delaware**  
(State or other jurisdiction of  
incorporation)

**1-12691**  
(Commission file number)

**22-2286646**  
(I.R.S. Employer Identification No.)

**2105 CityWest Blvd, Suite 400  
Houston, Texas 77042-2839**  
(Address of principal executive offices, including Zip Code)  
**(281) 933-3339**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition**

On February 16, 2011, ION Geophysical Corporation (the Company ) issued a press release containing information regarding the Company s results of operations for the quarter and year ended December 31, 2010. A copy of the press release is furnished as Exhibit 99.1 hereto.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

(b) On February 11, 2011, Theodore H. Elliott, Jr., age 75, notified the Company that he is retiring from the Board of Directors of the Company, effective on February 14, 2011. Mr. Elliott served as a Class I director, which is the class of directors whose term will expire at the Company s annual meeting of stockholders in 2012. Mr. Elliott s resignation from the Board of Directors also included his resignation as a member of the Audit Committee of the Board of Directors, on which he served. Mr. Elliott s resignation was not as a result of any disagreement with the Company regarding the Company s operations, policies or practices.

In connection with Mr. Elliott s resignation, the Company decreased the number of directors that comprise the entire Board from 9 to 8, effective on February 14, 2011.

(e) On February 11, 2011, the Compensation Committee of the Board of Directors of the Company approved the 2011 Incentive Compensation Plan (the Plan ). The Plan was established to motivate all participating employees to achieve their highest level of individual and team performance and to align the employees to accomplish and share in the achievement of established financial goals of the Company and its subsidiaries. Performance under the Plan is measured on a fiscal (calendar) year and payments under the Plan are made annually. All full-time employees (including the Named Executive Officers under the Company s proxy statement) who begin employment prior to October 1, 2011 are eligible to participate in the Plan. Temporary employees, contractors and consultants are not eligible to participate in the Plan. Employees who participate in any other cash bonus incentive plan of the Company are not eligible to participate in the Plan. Employees who begin employment after January 1, 2011 but before October 1, 2011 will be eligible to participate in the Plan and will receive a prorated bonus based upon the actual date of hire. Awards will be calculated after the close of the Plan year. The computation of awards generated under the Plan must be approved by the Compensation Committee. All earned awards will be paid in cash as soon as administratively practicable following the close of the Plan year and the approval of the Compensation Committee.

The Plan is designed to equate the size of the payout to the performance of the individual participant. Every participating employee has the opportunity to earn a percentage of their base salary based on their individual and team performance, and achievement of the Company s and the applicable business unit s performance against planned objectives. Significant over-achievement against plan will result in an increase in the bonus pool size, and the potential for participants to earn a higher percentage of their base salaries. Target business performance will be measured with respect to the Company s operating income and such other factors as may be determined by the Compensation Committee.

**Item 7.01. Regulation FD Disclosure**

In conjunction with the above press release, the Company has scheduled a conference call, which will be broadcast live over the Internet, for Thursday, February 17 at 10:00 a.m. Eastern Time (9:00 a.m. Central). The information for accessing the conference call is included in the press release. The webcast of the conference call will be accompanied by a slide presentation, a copy of which is furnished as Exhibit 99.2 hereto.

The information contained in Items 2.02 and 7.01 and the exhibits of this report (i) is not to be considered filed under the Securities Exchange Act of 1934, as amended (the Exchange Act ) and (ii) shall not be incorporated by reference into any previous or future filings made by or to be made by the Company with the Securities and Exchange Commission ( SEC ) under the Securities Act of 1933, as amended, or the Exchange Act.

The information contained in this report and the attached exhibits contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements concerning future sales and market growth, future cash needs and future sources of cash, including availability under our revolving line of credit facility, future compliance with our debt financial covenants, benefits expected to result from the BGP transactions and other statements that are not of historical fact. Actual results may vary materially from those described in these forward-looking statements. All forward-looking statements reflect numerous assumptions and involve a number of risks and uncertainties. These risks and uncertainties include risks of audit adjustments and other modifications to the Company s financial statements not currently foreseen; risks associated with the timing and development of the Company s products and services and market acceptance of the Company s new and revised product offerings; risks associated with the economic downturn and the volatile credit environment; risks associated with the performance of INOVA Geophysical Equipment Limited; risks associated with the Company s level of indebtedness, including compliance with debt covenants; risks associated with competitors product offerings and pricing pressures resulting therefrom; risks that sources of capital may not prove adequate; risks related to collection of receivables; risks associated with pending litigation; and risks related to technological and marketplace changes affecting the Company s product line. Additional risk factors, which could affect actual results, are disclosed by the Company from time to time in its filings with the Securities and Exchange Commission, including its Annual Reports on Form 10-K and its Quarterly Reports on Form 10-Q.

**Item 9.01. Financial Statements and Exhibits**

(a) *Financial statements of businesses acquired.*

Not applicable.

(b) *Pro forma financial information.*

Not applicable.

(c) *Shell company transactions.*

Not applicable.

(d) *Exhibits.*

<i>Exhibit Number</i>	<i>Description</i>
99.1	Press Release dated February 16, 2011.
99.2	February 17, 2011 Conference Call Presentation Slides.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 16, 2011

ION GEOPHYSICAL CORPORATION

By: /s/ R. BRIAN HANSON  
R. Brian Hanson  
Executive Vice President and Chief  
Financial Officer

**EXHIBIT INDEX**

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