



## CGG Announces its 2019 First Quarter Results

PARIS, France – May 15, 2019 – **CGG** (ISIN: FR0013181864), a world leader in **Geoscience**, announced today its 2019 First Quarter unaudited results.

### **Commenting on these results, Sophie Zurquiyah, CGG CEO, said:**

*"Our geoscience markets continue their gradual recovery driven by increase in offshore E&P Capex. Our strong cash generation reflects the strength of our core businesses and our cost management focus. CGG has delivered a first quarter in line with our expectations and, in the context of improving industry outlook, we confirm our 2019 guidance and 2021 targets."*

### **Q1 2019: Positive cash generation**

- IFRS figures: revenue at \$271m, OPINC at \$20m
- Segment revenue at \$282m, up 21% year-on-year, driven by strong equipment sales
- Segment EBITDAs at \$119m, up 40% year-on-year with 42% margin
- Segment operating income at \$11m, a 4% margin
- Free Cash Flow from operations was \$146 m
- Net Cash Flow was positive at \$44m
- Net loss of \$(30)m, including \$(15)m loss from Discontinued Operations
- Net debt at \$704m before IFRS 16 and \$868m after IFRS 16

### IFRS 16

From Q1 2019, CGG segment figures are presented after IFRS 16 and before IFRS 15. CGG implemented IFRS 16 effective January 1, 2019 with a modified retrospective application. Therefore, the cumulative effect of adopting IFRS 16 are recognized as an adjustment to the opening balance of retained earnings on January 1, 2019, with no restatement of comparative information.

## Key Figures - First Quarter 2019

In million \$	First Quarter 2018	First Quarter 2019
<b>Group revenue</b>	185.2	271.4
<b>Operating income</b>	(5.1)	19.6
Equity from investments	(0.5)	0.1
Net cost of financial debt	(33.2)	(32.9)
Other financial income (loss)	762.3	0.9
Income taxes	(15.2)	(2.9)
<b>Net income / (loss) from continuing operations</b>	708.3	(15.2)
Net income / (loss) from discontinued operations	(61.7)	(15.3)
<b>Group net income / (loss)</b>	646.6	(30.5)
Operating Cash Flow	42.9	203.8
Free Cash Flow	(49.8)	138.2
<b>Net debt</b>	659.3	868.4
<b>Net debt before IFRS 16</b>	659.3	704.3
<b>Capital employed</b>	3,149.4	2,518.9

## Key Segment Figures - First Quarter 2019

In million \$	First Quarter 2018	First Quarter 2019
<b>Segment revenue</b>	234.3	282.4
<b>Segment EBITDAs</b>	85.1	119.3
<i>Group EBITDAs margin</i>	36.3%	42.2%
<b>Segment operating income</b>	19.1	10.8
<i>Opinc margin</i>	8.2%	3.8%
Non-recurring charges (NRC)	(13.3)	-
IFRS 15 adjustment	(10.9)	8.8
<b>IFRS operating income</b>	(5.1)	19.6
Segment Operating Cash Flow	96.3	203.8
Segment Free Cash Flow	17.7	145.6

## Key figures bridge: Segment to IFRS - First Quarter 2019

<b>Q1 2019 P&amp;L items</b>	<b>Segment figures</b>	<b>IFRS 15 adjustments</b>	<b>NRC* adjustments</b>	<b>IFRS figures</b>
In million \$				
Total Revenue	282.4	(11.0)	-	271.4
Operating Income	10.8	8.8	-	19.6

<b>Q1 2019 Cash Flow Statement items</b>	<b>Segment figures</b>	<b>IFRS 15 adjustments</b>	<b>NRC* adjustments</b>	<b>IFRS figures</b>
In million \$				
EBITDAs	119.3	(11.0)	-	108.3
Change in Working Capital & Provisions	93.5	11.0	-	104.5
Cash Flow from Operations	203.8	-	-	203.8

<b>Multi-Client Data Library NBV</b>	<b>Segment figures</b>	<b>IFRS 15 adjustments</b>	<b>NRC* adjustments</b>	<b>IFRS figures</b>
In million \$				
Opening Balance Sheet – Jan. 1st 2019	518.6	114.7	-	633.3
Closing Balance Sheet – March 31st 2019	482.5	133.6	-	616.1

*\*NRC linked to the 2021 plan, Transformation Plan, Financial Restructuring, impairments and write-offs*

## First Quarter 2019 Segment Financial Results

### Geology, Geophysics & Reservoir (GGR)

<b>GGR</b>	<b>First Quarter 2018</b>	<b>First Quarter 2019</b>	<b>Variation Year-on-year</b>
In million \$			
<b>Segment revenue</b>	<b>185.1</b>	<b>180.1</b>	<b>(3)%</b>
Geoscience (SIR)	100.7	91.3	(9)%
Multi-Client	84.4	88.8	5%
<i>Prefunding</i>	49.2	42.2	(14)%
<i>After-Sales</i>	35.2	46.6	32%
<b>Segment EBITDAs</b>	<b>96.9</b>	<b>105.0</b>	<b>8%</b>
<i>Margin</i>	52.4%	58.3%	11%
<b>Segment operating income</b>	<b>38.4</b>	<b>5.2</b>	<b>(86)%</b>
<i>Margin</i>	20.7%	2.9%	(86)%
Equity from investments	(0.5)	0.1	120%
<b>Capital employed (in billion \$)</b>	<b>2.2</b>	<b>2.0</b>	<b>(9)%</b>
<b>Other key metrics</b>			
Fleet allocated to Multi-Client surveys (%)	44%	26%	N/A
Multi-Client cash capex (\$m)	(62.0)	(39.7)	N/A
Multi-Client cash prefunding rate (%)	79%	106%	N/A

**GGR segment revenue** was \$180 million, down 3% year-on-year.

- **Geoscience revenue** was \$91 million, down 9% year-on-year due to usual slower start of the year by our clients after a very active Q4 2018.

Solid order intake and increased commercial discussions for international complex offshore projects, especially in EAME and good backlog coverage are positive signals for the rest of the year.

Geoscience performance in Q1 confirmed the positive momentum seen since 2018, driven by OBN and Deep Water Streamer Data.

- **Multi-Client revenue** was \$89 million this quarter, up 5% year on year.

Prefunding revenue of our multi-client projects reached \$42 million this quarter, down from \$49 million in the first quarter of 2018, mainly due to lower multi-client capex this quarter, down to \$40 million vs. \$62 million in Q1 2018.

Prefunding rate was high at 106%.

The 2019 multi-client capex is still expected to be around \$250 million / \$275 million on very strong activity this summer with the entire CGG fleet dedicated to multi-client projects.

After-sales were \$47 million this quarter, up 32% year on year and solid across all regions.

The segment library Net Book Value was \$483 million at the end of March 2019, split 90% offshore and 10% onshore.

**GGR segment EBITDAs** was \$105 million, up 8% with 58% margin.

**GGR segment operating income** was \$5 million, a 3% margin impacted by \$(25) million from the application of the 4 years straight-line amortization.

**GGR capital employed** was down to \$2.0 billion at the end of March 2019.

## Equipment

<b>Equipment</b>	<b>First Quarter 2018</b>	<b>First Quarter 2019</b>	<b>Variation Year-on-year</b>
In million \$			
<b>Segment revenue</b>	<b>65.7</b>	<b>105.2</b>	<b>60%</b>
<i>Land</i>	44.0	84.7	93%
<i>Marine</i>	13.9	12.9	(7)%
<i>Downhole gauges</i>	7.2	5.2	(28)%
<i>Non Oil&amp;Gas</i>	0.6	2.4	297%
<b>Segment EBITDAs</b>	<b>(2.6)</b>	<b>23.0</b>	N/A
<i>Margin</i>	(4.0)%	21.9%	N/A
<b>Segment operating income</b>	<b>(9.9)</b>	<b>14.9</b>	N/A
<i>Margin</i>	(15.1)%	14.2%	N/A
<b>Capital employed (in billion \$)</b>	<b>0.6</b>	<b>0.5</b>	<b>(17)%</b>

**Equipment segment revenue** was \$105 million, up 60%. External sales were \$102 million, up 108%.

- Land equipment sales represented 81% of total sales, driven by solid land equipment deliveries in India, Russia and Middle East, including 3 new 508xt land data acquisition systems delivered to clients this quarter.
- Marine equipment sales represented 12% of total sales in a still low marine equipment market.
- Downhole equipment sales were \$5 million driven by increasing demand for artificial lift for US Lower 48 unconventional projects.

**Equipment segment EBITDAs** was \$23 million, a 22% margin.

**Equipment segment operating income** was \$15 million, a 14% margin.

**Equipment capital employed** was down to \$0.5 billion at the end of March 2019.

## First Quarter 2019 Financial Results

Consolidated Income Statements	First Quarter 2018	First Quarter 2019	Variation Year-on- year
In million \$			
<i>Exchange rate euro/dollar</i>	1.22	1.15	<b>(6)%</b>
<b>Segment revenue</b>	<b>234.3</b>	<b>282.4</b>	<b>21%</b>
GGR	185.1	180.1	(3)%
Equipment	65.7	105.2	60%
Elimination	(16.5)	(2.9)	(82)%
<b>Gross margin</b>	<b>55.7</b>	<b>49.1</b>	<b>(12)%</b>
<b>Segment EBITDAs</b>	<b>85.1</b>	<b>119.3</b>	<b>40%</b>
GGR	96.9	105.0	8%
Equipment	(2.6)	23.0	985%
Corporate	(7.9)	(8.7)	10%
Eliminations	(1.3)	-	(100)%
<b>Segment operating income</b>	<b>19.1</b>	<b>10.8</b>	<b>(43)%</b>
GGR	38.4	5.2	(86)%
Equipment	(9.9)	14.9	251%
Corporate	(8.1)	(9.3)	15%
Eliminations	(1.3)	-	(100)%
NRC	(13.3)	-	(100)%
<i>IFRS 15 adjustment</i>	(10.9)	8.8	181%
<b>IFRS operating income</b>	<b>(5.1)</b>	<b>19.6</b>	<b>484%</b>
Equity from investments	(0.5)	0.1	120%
Net cost of financial debt	(33.2)	(32.9)	(1)%
Other financial income (loss)	762.3	0.9	(100)%
Income taxes	(15.2)	(2.9)	(81)%
<b>Net income / (loss) from continuing operations</b>	<b>708.3</b>	<b>(15.2)</b>	<b>(102)%</b>
Net income / (loss) from discontinued operations	(61.7)	(15.3)	75%
<b>IFRS net income / (loss)</b>	<b>646.6</b>	<b>(30.5)</b>	<b>(105)%</b>
Shareholder's net income / (loss)	645.2	(33.9)	(105)%
Basic Earnings per share in \$	2.05	(0.05)	(102)%
Basic Earnings per share in €	1.68	(0.04)	(102)%

**Segment revenue** was \$282 million, up 21% year-on-year. The respective contributions from the Group's businesses were 32% from Geoscience, 32% from Multi-Client (64% for the GGR segment) and 36% from Equipment.

**Segment EBITDAs** was \$119 million, up 40% with 42% margin including \$13 million impact of IFRS 16.

**Segment operating income** was \$11 million, a 4% margin impacted by \$(25) million from the application of the 4 years straight-line amortization and \$3 million from IFRS 16.

**IFRS 15 adjustment** at operating income level was \$9 million and **IFRS operating income**, after IFRS 15 adjustment, was \$20 million.

**Cost of financial debt** was \$(32.9) million. The total amount of interest paid during the quarter was \$(7) million. **Income taxes** were \$(3) million.

**Net income / (loss) from continuing operations** was \$(15) million.

### Discontinued operations

*Correspond to the former Contractual Data Acquisition and Non-Operated Resources segments. Main aggregates are as follows:*

- **Segment revenue** were \$70 million this quarter and **net income / (loss) from discontinued operations** was \$(15) million.

**Group net income / (loss)** was \$(30) million.

After minority interests, **Group net income / (loss) attributable to CGG shareholders** was \$(33.9) million/ €(29.6) million.

### Cash Flow

Cash Flow items In million \$	First Quarter 2018	First Quarter 2019	Variation Year-on- year
<b>Segment Operating Cash Flow</b>	<b>96.3</b>	<b>203.8</b>	112%
<b>Capex</b>	<b>(78.9)</b>	<b>(58.3)</b>	(26)%
Industrial	(8.9)	(10.5)	18%
R&D	(8.0)	(8.1)	1%
Multi-Client (Cash)	(62.0)	(39.7)	(36)%
<i>Marine MC</i>	(53.3)	(30.1)	(44)%
<i>Land MC</i>	(8.7)	(9.6)	10%
Proceeds from disposals of assets	0.3	0.1	(67)%
<b>Segment Free Cash Flow</b>	<b>17.7</b>	<b>145.6</b>	723%
Paid cost of debt	(14.1)	(7.4)	(48)%
Lease repayments	(1.5)	(15.9)	960%
Cash NRC / Plan 2021	(53.4)	(25.3)	(53)%
Free cash flow from discontinued operations	(45.8)	(53.0)	(16)%
<b>Net cash flow</b>	<b>(97.1)</b>	<b>44.0</b>	(145)%
Financing cash flow	314.7	-	(100)%
Forex and other	5.1	(3.0)	(159)%
<b>Net increase/(decrease) in cash</b>	<b>222.7</b>	<b>41.0</b>	(82)%

**Segment Operating Cash Flow** was \$204 million, up 112% compared to \$96 million in Q1 2018.

**Total capex** was \$58 million, down 26%:

- **Industrial capex** was \$11 million, up 18%
- **Research & Development capex** was \$8 million, up 1%
- **Multi-client cash capex** was \$40 million, down 36%

**Segment Free Cash Flow** was at \$146 million, compared to \$18 million in Q1 2018.

After \$(7) million paid cost of debt, \$(16) million lease repayments, \$(25) million 2021 plan and \$(53) million free cash flow from discontinued operations, **Net Cash Flow** was \$44 million compared to \$(97) million in Q1 2018.

## **Balance Sheet**

Group **gross debt before IFRS 16** was \$1,179 million at the end of March 2019 and **net debt** was \$704 million.

Group **gross debt after IFRS 16** was \$1,343 million at the end of March 2019 and **net debt** was \$868 million.

Group's **liquidity** amounted to \$475 million at the end of March 2019.



## Q1 2019 Conference call

An English language analysts' conference call is scheduled today at 8:30 am (Paris time) – 7:30 am (London time)

**To follow this conference, please access the live webcast:**

**From your computer at:** [www.cgg.com](http://www.cgg.com)

A replay of the conference will be available via webcast on the CGG website at: [www.cgg.com](http://www.cgg.com).

For analysts, please dial the following numbers 5 to 10 minutes prior to the scheduled start time:

France call-in	+33(0) 1 76 70 07 94
UK call-in	+44(0) 844 571 8892
Access code	9338747

### **About CGG:**

*CGG ([www.cgg.com](http://www.cgg.com)) is a fully integrated Geoscience company providing leading geological, geophysical and reservoir capabilities to its broad base of customers primarily from the global oil and gas industry. Through its three complementary business segments of Equipment, Acquisition and Geology, Geophysics & Reservoir (GGR), CGG brings value across all aspects of natural resource exploration and exploitation. CGG employs around 5.200 people around the world, all with a Passion for Geoscience and working together to deliver the best solutions to its customers.*

*CGG is listed on the Euronext Paris SA (ISIN: 0013181864).*



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**CONSOLIDATED FINANCIAL STATEMENTS**

**March 31<sup>st</sup> . 2019**

## UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in millions of US\$, unless indicated	March 31, 2019	December 31, 2018
<b>ASSETS</b>		
Cash and cash equivalents	475.1	434.1
Trade accounts and notes receivable, net	428.3	520.2
Inventories and work-in-progress, net	204.8	204.8
Income tax assets	72.5	72.1
Other current assets, net	119.5	99.1
Assets held for sale, net	346.9	195.5
<b>Total current assets</b>	<b>1,647.1</b>	<b>1,525.8</b>
Deferred tax assets	24.4	22.6
Investments and other financial assets, net	29.0	31.1
Investments in companies under equity method	3.5	0.1
Property, plant and equipment, net	345.4	189.2
Intangible assets, net	874.6	898.9
Goodwill, net	1,229.3	1,229.0
<b>Total non-current assets</b>	<b>2,506.2</b>	<b>2,370.9</b>
<b>TOTAL ASSETS</b>	<b>4,153.3</b>	<b>3,896.7</b>
<b>LIABILITIES AND EQUITY</b>		
Bank overdrafts	—	—
Current portion of financial debt	87.8	17.8
Trade accounts and notes payables	139.6	126.4
Accrued payroll costs	110.1	135.8
Income taxes payable	61.7	49.6
Advance billings to customers	24.0	35.7
Provisions — current portion	137.2	172.4
Other current liabilities	276.1	250.9
Liabilities directly associated with the assets classified as held for sale	285.0	131.7
<b>Total current liabilities</b>	<b>1,121.5</b>	<b>920.3</b>
Deferred tax liabilities	42.4	44.4
Provisions — non-current portion	78.7	95.9
Financial debt	1,255.6	1,148.9
Other non-current liabilities	4.8	13.1
<b>Total non-current liabilities</b>	<b>1,381.5</b>	<b>1,302.3</b>
Common stock 828,953,048 shares authorized and 709,947,966 shares with a €0.01 nominal value issued and outstanding at March 31, 2019 and 709,944,816 at December 31, 2018	8.7	8.7
Additional paid-in capital	3,184.6	3,184.6
Retained earnings	(1,485.0)	(1,457.8)
Other Reserves	(23.8)	(27.9)
Treasury shares	(20.1)	(20.1)
Cumulative income and expense recognized directly in equity	(1.2)	(0.9)
Cumulative translation adjustment	(56.0)	(55.1)
<b>Equity attributable to owners of CGG S.A.</b>	<b>1,607.2</b>	<b>1,631.5</b>
Non-controlling interests	43.1	42.6
<b>Total equity</b>	<b>1,650.3</b>	<b>1,674.1</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,153.3</b>	<b>3,896.7</b>

*Closing rates were US\$1.1235 per €1.00 and US\$1.1450 per €1.00 for March 31, 2019 and December 31, 2018, respectively.*

## UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

Amounts in millions of US\$, except per share data or unless indicated	Three months ended March 31,	
	2019	2018 (restated*)
<b>Operating revenues</b>	271.4	185.2
Other income from ordinary activities	0.2	0.3
<b>Total income from ordinary activities</b>	<b>271.6</b>	<b>185.5</b>
Cost of operations	(213.7)	(140.7)
<b>Gross profit</b>	<b>57.9</b>	<b>44.8</b>
Research and development expenses, net	(6.0)	(5.0)
Marketing and selling expenses	(9.9)	(10.8)
General and administrative expenses	(20.3)	(20.6)
Other revenues (expenses), net	(2.1)	(13.5)
<b>Operating income</b>	<b>19.6</b>	<b>(5.1)</b>
Expenses related to financial debt	(33.6)	(34.1)
Income provided by cash and cash equivalents	0.7	0.9
<b>Cost of financial debt, net</b>	<b>(32.9)</b>	<b>(33.2)</b>
Other financial income (loss)	0.9	762.3
<b>Income (loss) of consolidated companies before income taxes</b>	<b>(12.4)</b>	<b>724.0</b>
Income taxes	(2.9)	(15.2)
<b>Net income (loss) from consolidated companies</b>	<b>(15.3)</b>	<b>708.8</b>
Share of income (loss) in companies accounted for under equity method	0.1	(0.5)
<b>Net income (loss) from continuing operations</b>	<b>(15.2)</b>	<b>708.3</b>
Net income (loss) from discontinued operations	(15.3)	(61.7)
<b>Net income (loss)</b>	<b>(30.5)</b>	<b>646.6</b>
<i>Attributable to :</i>		
<i>Owners of CGG S.A</i>	\$ (33.9)	645.2
<i>Owners of CGG S.A. <sup>(2)</sup></i>	€ (29.6)	528.1
<i>Non-controlling interests</i>	\$ 3.4	1.4
<b>Weighted average number of shares outstanding</b>	<b>709,947,691</b>	<b>314,214,031</b>
Dilutive potential shares from stock-options <sup>(1)</sup>	-	-
Dilutive potential shares from performance share plans <sup>(1)</sup>	-	-
Dilutive potential shares from warrants <sup>(1)</sup>	-	19,391,416
Dilutive weighted average number of shares outstanding adjusted when dilutive	709,947,691	333,605,447
<b>Net income (loss) per share</b>		
Basic	\$ (0.05)	2.05
Basic <sup>(2)</sup>	€ (0.04)	1.68
Diluted	\$ (0.05)	1.93
Diluted <sup>(2)</sup>	€ (0.04)	1.58

\* In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the profit and loss accounts related to the discontinued operations have been presented in the separate line item "Net income (loss) from discontinued operations" at March 31, 2019 and 2018.

(1) As our 2019 net result is a loss, stock options, performance shares plans, and warrants had an anti-dilutive effect; as a consequence, potential shares linked to those instruments were not taken into account in the diluted weighted average number of shares or in the calculation of diluted loss per share.

(2) Converted at the average exchange rates of US\$1.1451 and US\$1.2218 per €1.00 for the periods ended March 31, 2019 and 2018, respectively.

## UNAUDITED ANALYSIS BY SEGMENT

### Three months ended March 31, 2019

In millions of US\$, except for assets and capital employed in billions of US\$	GGR	Equipment	Eliminations and other	Segment figures	IFRS 15 adjustments	Transformation Plan / Financial restructuring	Consolidated Total / As reported
Revenues from unaffiliated customers	180.1	102.3	-	282.4	(11.0)	-	271.4
Inter-segment revenues <sup>(1)</sup>	-	2.9	(2.9)	-	-	-	-
<b>Operating revenues</b>	<b>180.1</b>	<b>105.2</b>	<b>(2.9)</b>	<b>282.4</b>	<b>(11.0)</b>	-	<b>271.4</b>
Depreciation and amortization (excluding multi-client surveys)	(22.8)	(7.9)	(0.2)	(30.9)	-	-	(30.9)
Depreciation and amortization of multi-client surveys	(77.2)	-	-	(77.2)	19.8	-	(57.4)
<b>Operating income <sup>(2)</sup></b>	<b>5.2</b>	<b>14.9</b>	<b>(9.3)</b>	<b>10.8</b>	<b>8.8</b>	-	<b>19.6</b>
<b>EBITDAS</b>	<b>105.0</b>	<b>23.0</b>	<b>(8.7)</b>	<b>119.3</b>	<b>(11.0)</b>	-	<b>108.3</b>
Share of income in companies accounted for under equity method	0.1	-	-	0.1	-	-	0.1
<b>Earnings Before Interest and Tax <sup>(2)</sup></b>	<b>5.3</b>	<b>14.9</b>	<b>(9.3)</b>	<b>10.9</b>	<b>8.8</b>	-	<b>19.7</b>
Capital expenditures (excluding multi-client surveys) <sup>(3)</sup>	14.9	4.8	(1.1)	18.6	-	-	18.6
Investments in multi-client surveys, net cash	39.7	-	-	39.7	-	-	39.7
<b>Capital employed <sup>(4)</sup></b>	<b>2.0</b>	<b>0.5</b>	-	<b>2.5</b>	-	-	<b>2.5</b>
<b>Total identifiable assets <sup>(4)</sup></b>	<b>2.2</b>	<b>0.6</b>	<b>0.8</b>	<b>3.6</b>	-	-	<b>3.6</b>

(1) Sale of equipment to the Contractual Data Acquisition segment which is classified as discontinued operation.

(2) "Eliminations and other" corresponded to general corporate expenses.

(3) Capital expenditures included capitalized development costs of US\$(8.1) million for the three months ended March 31, 2019. "Eliminations and other" corresponded to the variance of suppliers of assets for the three months ended March 31, 2019.

(4) Capital employed and identifiable assets related to discontinued operations are included under the column "Eliminations and other".

### Three months ended March 31, 2018 (restated)

In millions of US\$, except for assets and capital employed in billions of US\$	GGR	Equipment	Eliminations and other	Segment figures	IFRS 15 adjustments	Transformation Plan / Financial restructuring	Consolidated Total / As reported
Revenues from unaffiliated customers	185.1	49.2	-	234.3	(49.1)	-	185.2
Inter-segment revenues <sup>(1)</sup>	-	16.5	(16.5)	-	-	-	-
<b>Operating revenues</b>	<b>185.1</b>	<b>65.7</b>	<b>(16.5)</b>	<b>234.3</b>	<b>(49.1)</b>	-	<b>185.2</b>
Depreciation and amortization (excluding multi-client surveys)	(19.3)	(7.3)	(0.1)	(26.7)	-	-	(26.7)
Depreciation and amortization of multi-client surveys	(44.6)	-	-	(44.6)	38.2	-	(6.4)
<b>Operating income <sup>(2)</sup></b>	<b>38.4</b>	<b>(9.9)</b>	<b>(9.4)</b>	<b>19.1</b>	<b>(10.9)</b>	<b>(13.3)</b>	<b>(5.1)</b>
<b>EBITDAS</b>	<b>96.9</b>	<b>(2.6)</b>	<b>(9.2)</b>	<b>85.1</b>	<b>(49.1)</b>	<b>(13.3)</b>	<b>22.7</b>
Share of income in companies accounted for under equity method <sup>(1)</sup>	(0.5)	-	-	(0.5)	-	-	(0.5)
<b>Earnings Before Interest and Tax <sup>(2)</sup></b>	<b>37.9</b>	<b>(9.9)</b>	<b>(9.4)</b>	<b>18.6</b>	<b>(10.9)</b>	<b>(13.3)</b>	<b>(5.6)</b>
Capital expenditures (excluding multi-client surveys) <sup>(3)</sup>	14.9	2.1	(0.1)	16.9	-	-	16.9
Investments in multi-client surveys, net cash	62.0	-	-	62.0	-	-	62.0
<b>Capital employed <sup>(4)</sup></b>	<b>2.2</b>	<b>0.6</b>	<b>0.4</b>	<b>3.2</b>	-	<b>(0.1)</b>	<b>3.1</b>
<b>Total identifiable assets <sup>(4)</sup></b>	<b>2.6</b>	<b>0.6</b>	<b>0.6</b>	<b>3.8</b>	-	<b>0.1</b>	<b>3.9</b>

(1) Sale of equipment to the Contractual Data Acquisition segment which is classified as discontinued operation.

(2) "Eliminations and other" corresponded to general corporate expenses.

(3) Capital expenditures included capitalized development costs of US\$(8.0) million for the three months ended March 31, 2018. "Eliminations and other" corresponded to the variance of suppliers of assets for the three months ended March 31, 2018.

(4) Capital employed and identifiable assets related to discontinued operations are included under the column "Eliminations and other".

## UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in millions of US\$	Three months ended March 31,	
	2019	2018 (restated*)
<b>OPERATING</b>		
<b>Net income (loss)</b>	<b>(30.5)</b>	<b>646.6</b>
Less: Net income (loss) from discontinued operations	(15.3)	(61.7)
<b>Net income (loss) from continuing operations</b>	<b>(15.2)</b>	<b>708.3</b>
Depreciation and amortization	30.9	26.7
Multi-client surveys depreciation and amortization	57.4	6.4
Depreciation and amortization capitalized in multi-client surveys	(0.9)	(5.5)
Variance on provisions	(3.5)	(22.7)
Stock based compensation expenses	1.3	0.2
Net (gain) loss on disposal of fixed and financial assets	-	(0.2)
Equity (income) loss of investees	(0.1)	0.5
Dividends received from investments in companies under equity method	-	-
Other non-cash items	(5.8)	(779.9)
<b>Net cash-flow including net cost of financial debt and income tax</b>	<b>64.1</b>	<b>(66.2)</b>
Less net cost of financial debt	32.9	33.2
Less income tax expense	2.9	15.2
<b>Net cash-flow excluding net cost of financial debt and income tax</b>	<b>99.9</b>	<b>(17.8)</b>
Income tax paid	(4.1)	(0.9)
<b>Net cash-flow before changes in working capital</b>	<b>95.8</b>	<b>(18.7)</b>
Change in working capital	108.0	61.6
- change in trade accounts and notes receivable	147.9	118.4
- change in inventories and work-in-progress	(2.6)	3.1
- change in other current assets	(15.4)	(15.8)
- change in trade accounts and notes payable	(1.6)	(11.1)
- change in other current liabilities	(20.3)	(33.0)
<b>Net cash-flow provided by operating activities</b>	<b>203.8</b>	<b>42.9</b>
<b>INVESTING</b>		
Total capital expenditures (including variation of fixed assets suppliers, excluding multi-client surveys)	(18.6)	(16.9)
Investment in multi-client surveys, net cash	(39.7)	(62.0)
Proceeds from disposals of tangible and intangible assets	0.1	0.3
Total net proceeds from financial assets	-	-
Acquisition of investments, net of cash and cash equivalents acquired	-	-
Variation in loans granted	-	(0.2)
Variation in subsidies for capital expenditures	-	-
Variation in other non-current financial assets	(0.6)	1.4
<b>Net cash-flow used in investing activities</b>	<b>(58.8)</b>	<b>(77.4)</b>
<b>FINANCING</b>		
Repayment of long-term debt	-	(150.3)
Total issuance of long-term debt	-	336.5
Lease repayments	(15.9)	(1.5)
Change in short-term loans	-	(0.2)
Financial expenses paid	(7.4)	(14.1)
<i>Net proceeds from capital increase:</i>		
— from shareholders	-	128.7
— from non-controlling interests of integrated companies	-	-
<i>Dividends paid and share capital reimbursements:</i>		
— to shareholders	-	-
— to non-controlling interests of integrated companies	(1.2)	-
Acquisition/disposal from treasury shares	-	-
<b>Net cash-flow provided by (used in) financing activities</b>	<b>(24.5)</b>	<b>299.1</b>
Effects of exchange rates on cash	(1.2)	3.9
Impact of changes in consolidation scope	-	-
<b>Net cash flows incurred by Discontinued Operations</b>	<b>(78.3)</b>	<b>(45.8)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>41.0</b>	<b>222.7</b>
Cash and cash equivalents at beginning of year	434.1	315.4
<b>Cash and cash equivalents at end of period</b>	<b>475.1</b>	<b>538.1</b>

\* In accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, financial information was restated to present comparative amounts for each period presented.