



Third Quarter 2013 Results

November 7, 2013

Passion for Geoscience



Agenda

- Third Quarter 2013 and Year to Date Financial Review
- Year to Date Operational Review
- Year to Date Financial Figures
- 2013 Outlook



A topographic map showing a mountain range with a color gradient from green (low elevation) to yellow and orange (high elevation).

Third Quarter 2013 and Year to Date Figures

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Third Quarter 2013

■ Financial Performance:

- Group Revenue at \$908m, up 6%
- Group EBIT at \$95m EBIT not-including \$(21)m* of Non-Recurring Items related to the Fugro Geoscience transaction, down 26% with a 10.4% margin

■ Operational Performance:

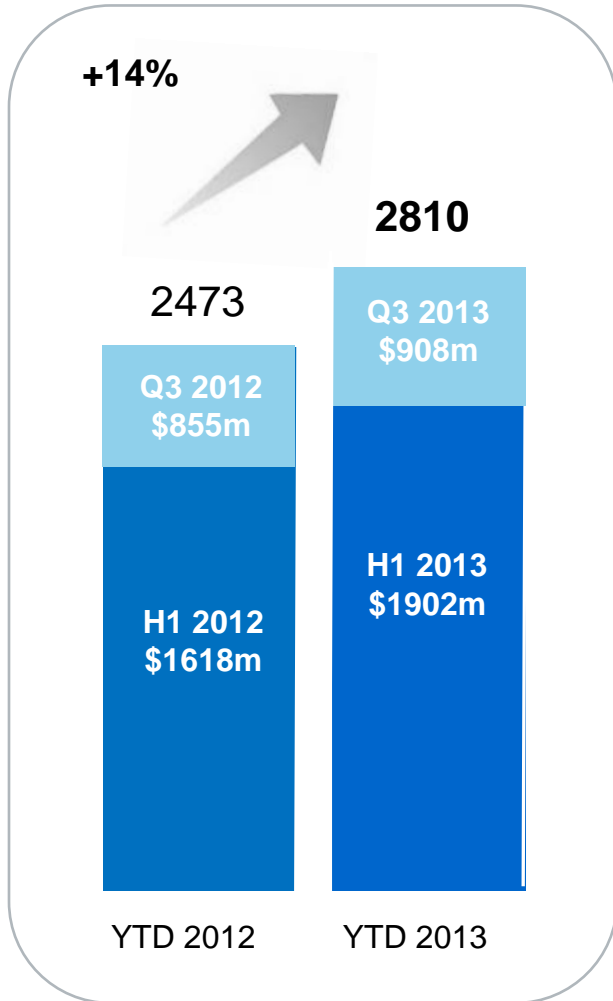
- Low marine equipment sales due to temporary weakness in equipment demand
- Marine production rate at record level
- Gradual recovery in Land activity
- Low multi-client after-sales after a strong Q2 but solid multi-client cash prefunding rate at 79%
- Strong activity in Subsurface Imaging & Reservoir



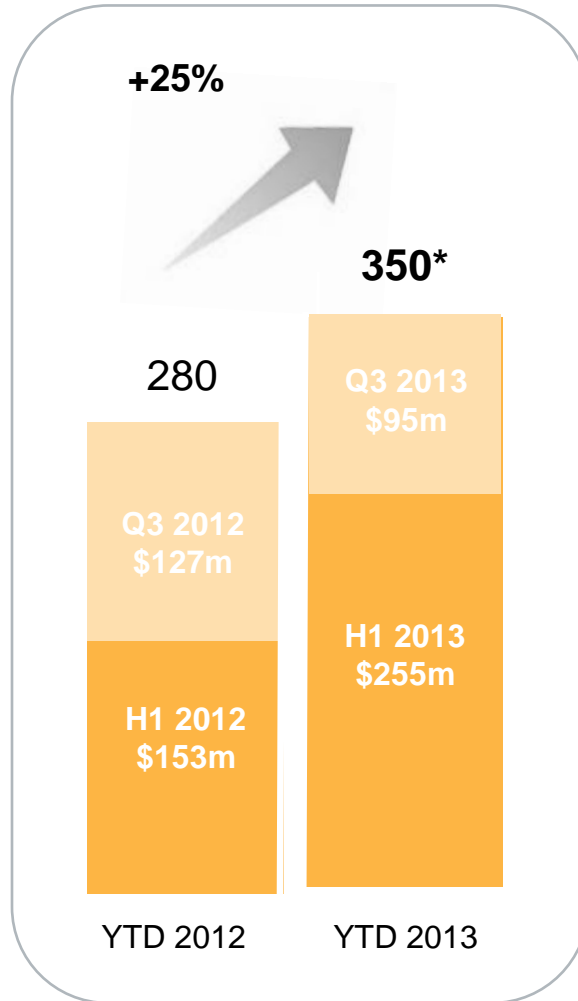
YTD Key Figures: Growth and Profitability Improvement

(In million US\$)

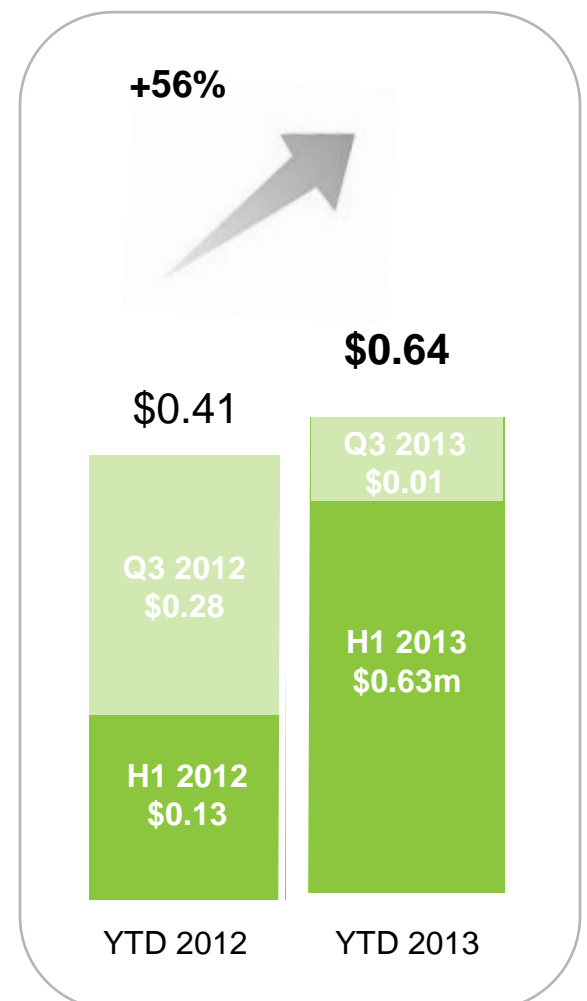
Revenue



EBIT



EPS



(1) Not including \$3m Non-Recurring Items relating to the Fugro Geoscience Transaction (NFRI)



End of September 2013 Overview

Market Changes

- Delays in big marine contract awards for the winter season
- Softer marine market conditions
- More CGG vessels dedicated to multi-client programs
- Softer seismic equipment market

Special Focus

- Difficult safety and weather conditions for recovery in land operations
- Slow start of the Seabed Geosolutions JV (NRFI)

CGG Achievements

- Successful integration of Fugro Geoscience
- CGG's technology differentiation is accelerating with BroadSeis™, Sentinel MS and 508^{XT} the new land acquisition system
- High and sustained vessel availability and production rates
- Higher and stable multi-client prefunding rate at 70% YTD
- GGR sustained profitability at 25%
- Backlog at \$1.25bn by the end of October
- Marine fleet booked at 96% in Q4, 75% in Q1 2014 and 50% in Q2 2014



A topographic map showing a mountain range with green, yellow, and orange peaks, and blue valleys. The map is partially obscured by a white curved shape at the bottom.

2013 End of September Operational Review

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Equipment : Strong Resilience in a Year of Transition

Q3 Overview

- Q3 Total Revenue at \$223m down 21% y-o-y
 - Temporary weakness in demand for seismic equipment
 - Total sales driven 34% by marine and 66% by land products
 - External Revenue at \$187m, down 15% y-o-y
 - Intra-group sales represented 16% of total sales
- Q3 EBIT margin at 22.9%

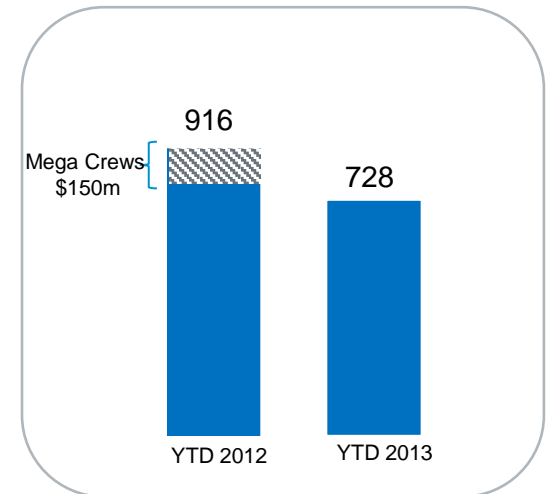
YTD Overview

- Successful launch mid Sept of the 508^{XT} new land acquisition system
- Solid activity in Eastern Europe and Russia
- Marine equipment sales sustained by the replacement market
- YTD EBIT margin at 26.3%

Outlook

- Strong Q4 sales anticipated ahead of the winter season
- 2013 EBIT margin confirmed at 28% in difficult market conditions and despite lower volume of equipment sales

Revenue *(In million US\$)*



EBIT



Acquisition : Good Operational Performance in a Challenging Market

Q3 Overview

- Q3 Total Revenue at \$568m up 8% y-o-y
 - Strong operational overview in a softer marine contract market
 - Marine external revenue at \$462m, up 28%
 - Land & Airborne revenue at \$106m, down 37% y-o-y
- Q3 EBIT margin at 7.4%*

YTD Overview

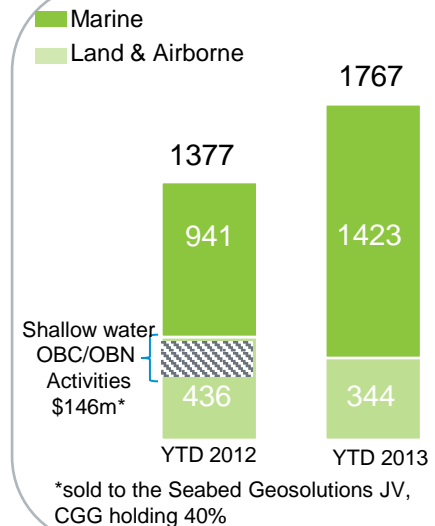
- YTD marine fleet production rate at 93% record level
- Recent award of major contracts in Angola and Mexico
- GeoAtlantic returned to its shipowner / GeoBarents now used as a source vessel
- Gradual Land recovery
- Airborne joined CGG on 2nd of September
- YTD EBIT margin at 6.6%*

Outlook

- Soft winter marine season
- Despite low 2013 Marine price increase, marine improved profitability driven by productivity and differentiation
- Fleet 96% booked into Q4, 75% into Q1 2014 and 50% in Q2 2014

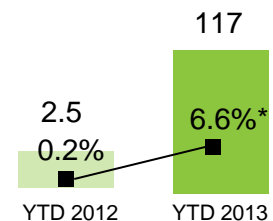
(In million US\$)

Revenue



EBIT

— Margin in %



GGR : A Sustained Excellent Performance

Q3 Overview

- Q3 Total Revenue at \$298m, up 24% y-o-y
 - Lower multi-client sales after a strong Q2
 - Multi-Client & Basin data: \$145m, up 24% with a solid prefunding rate at 79%
 - Subsurface Imaging & Reservoir revenue at \$153m, up 25% y-o-y
- Q3 EBIT margin at 18.2%

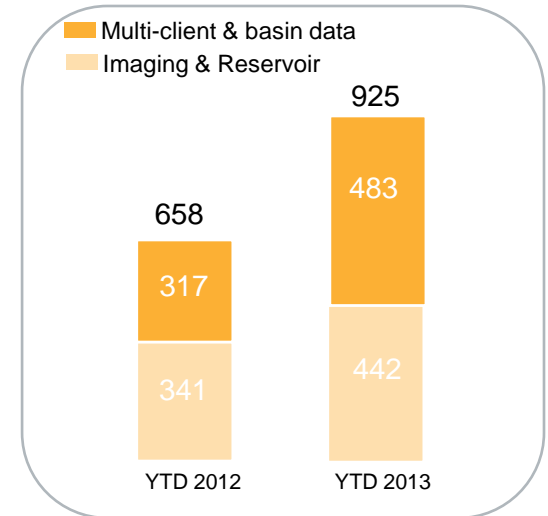
YTD Overview

- Solid Multi-Client activity with a strong prefunding rate at 70% YTD
- Subsurface Imaging & Reservoir up 22% in fair market conditions
- Increasing commercial activity in Reservoir and Geology
- Baker Hughes JV reinforced in unconventional resource plays and other emerging markets
- YTD EBIT margin at 25.0%

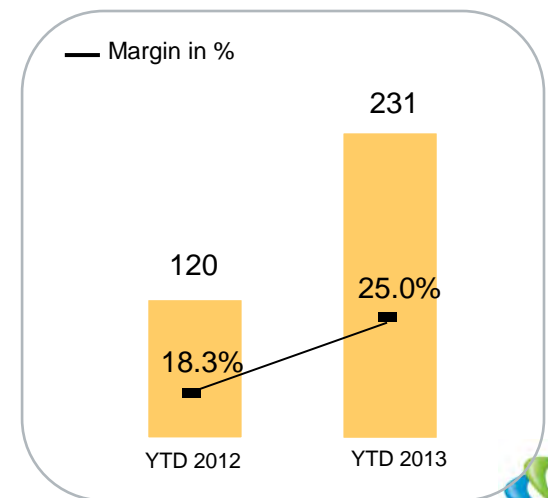
Outlook

- Q4 expected to be strong, driven by good multi-client sales and sustained activity across businesses
- EBIT margin expected to remain at the top end of the 22-25% range

Revenue (In million US\$)



EBIT





Year To Date Financial Figures

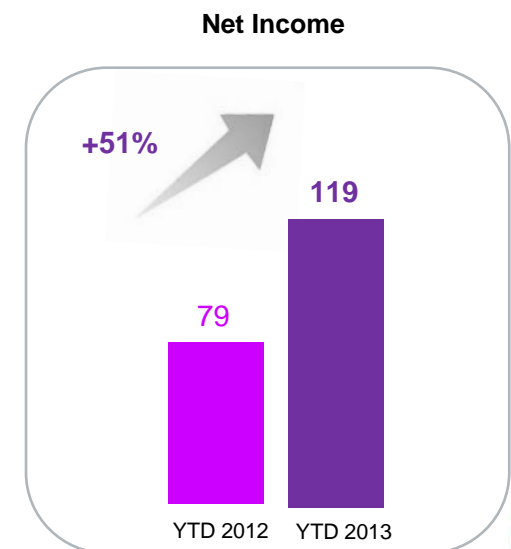
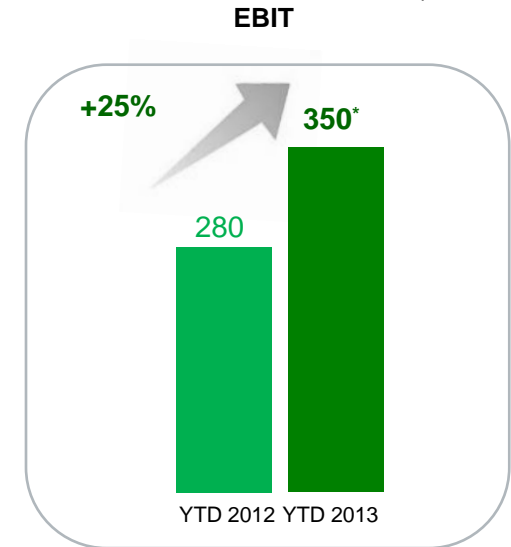
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YTD Key Financial Figures

- Group Revenue at \$2,810m, up 14% y-o-y
 - Respective contribution amounting to 20% for Equipment, 47% for Acquisition, and 33% for GGR
 - Intra group sales: 22% for Equipment and 25% for Acquisition
- EBIT at \$350m* corresponding to a 12.5% margin
 - Equipment margin at 26.3%
 - Acquisition margin at 6.6%
 - GGR margin at 25.0%
- NFRI were \$3m:
 - \$69m of net gain related to the SWOBS Transaction: \$85m capital gain reduced by the year-to-date negative contribution of the Seabed GeoSolutions JV
 - \$(66)m on-going integration-restructuring costs: \$(50)m in Q1, \$(11)m in Q2 and \$(5)m in Q3
- Net Income was \$119m
 - EPS of \$0.63 (€0.49), up 56% year-on-year

(In million US\$)



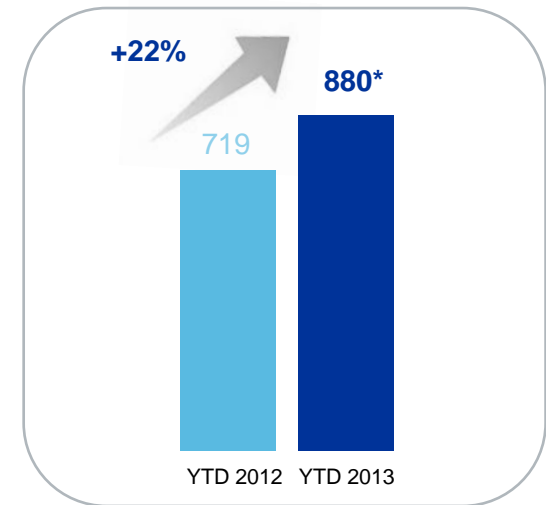
* Not included Non-Recurring Items related to the Fugro Geoscience Transaction (NRFI)



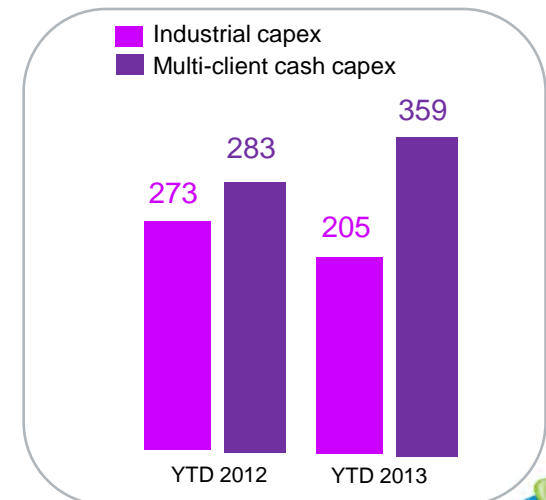
YTD Key Financial Figures

- EBITDAs: \$880m*, a 31% margin
- Total Capex of \$605m
 - Industrial Capex at \$205m
 - R&D Capex at \$41m
 - Multi-Client Cash Capex at \$359m with a 70% prefinancing rate
- Operational Cash Flow of \$456m, stable y-o-y
 - \$(284)m change in working capital
- Free Cash Flow was \$(222)m negative
 - After \$82m down payment of financial interests
 - Includes \$(47)m related to cash NRFI: net of those elements, Free Cash Flow is stable y-o-y

EBITDAs *(In million US\$)*



Capex



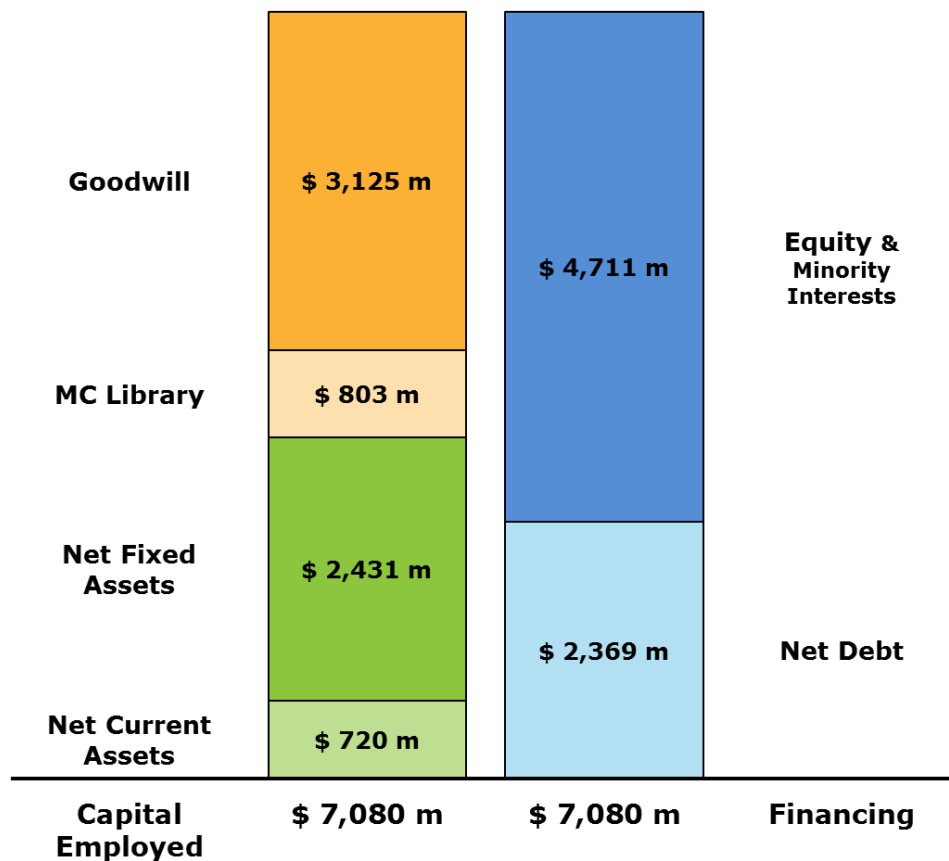
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Financial Structure

(In million US\$)

Capital Employed as of end of September 2013



- Capital Employed up \$100m due to the full completion of Fugro Geoscience Acquisition
- Available Cash was \$320m
- Net debt to equity ratio at 51%
- Debt maturity (including RCF) at the end of September is 4.5 years
- Cash cost of the mid-term debt at 4.85%



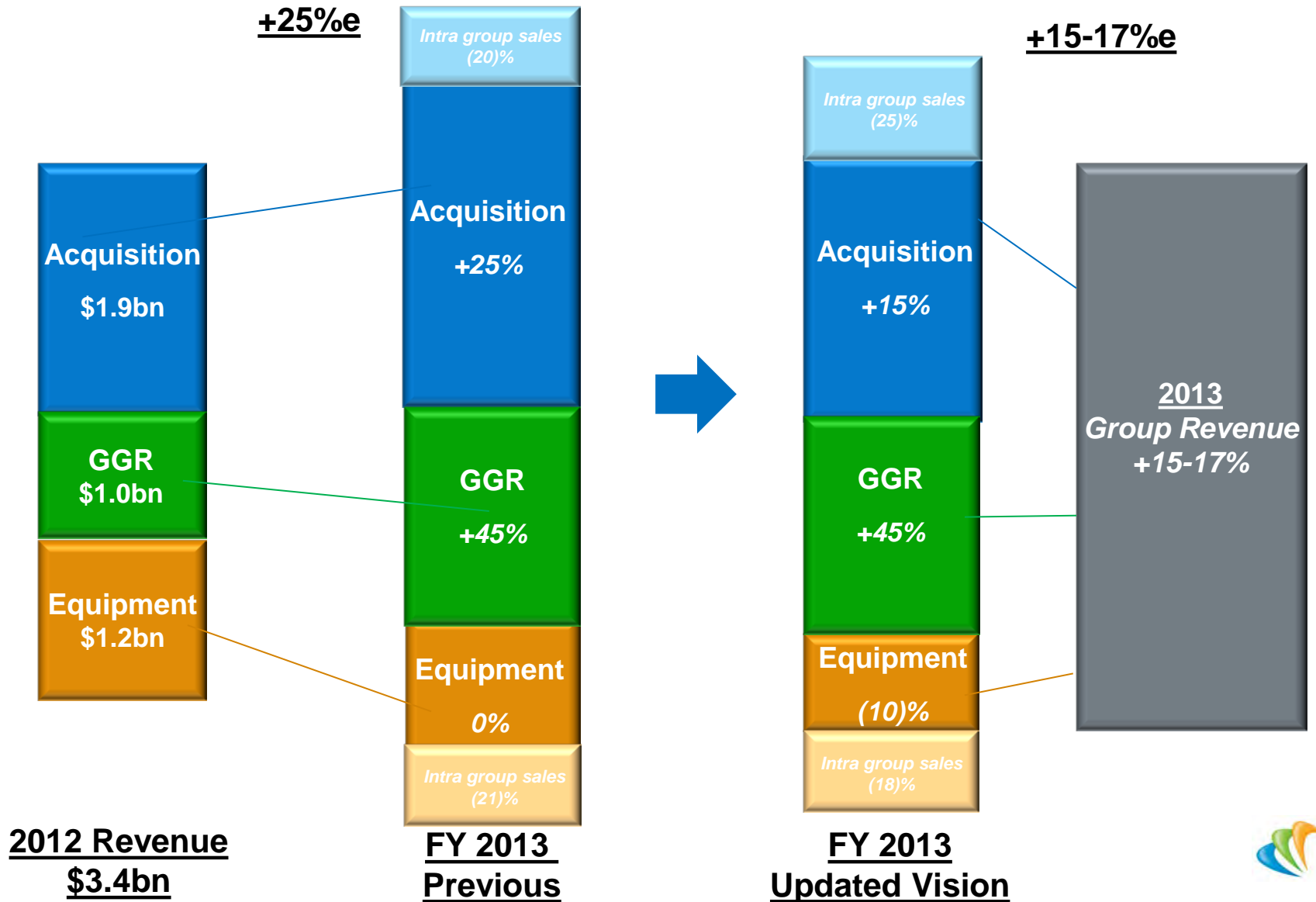


2013 Outlook

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2013 Revenue Growth Revised to 15%-17%



2013 Outlook

CGG revised targets:

- 15%-17% Growth in revenue
- EBIT margin between 12% and 13% including a 28% EBIT margin for the Equipment Division

Key elements:

- Multi-client Cash capex up at \$450m-\$500m
- Multi-client Prefunding rate targeted above 75%
- Industrial capex targeted at \$300m-\$350m
- Positive Free Cash Flow generation, before Fugro Geoscience transaction negative cash elements,
- Improved Return on Capital Employed
- Marine fleet coverage: Q4 96%, Q1 2014 75% and Q2 2014 50%





Thank you

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