



First Quarter 2013 Results

May 3, 2013

Passion for Geoscience



Agenda

- Fugro Geoscience Integration on Track
- First Quarter 2013 Financial Review
- First Quarter 2013 Operational Review
- 2013 Outlook





Fugro Geoscience Integration on Track

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Delivering the Transformation of the New CGG

Building the New CGG

- A **new organization** and **clear Integration Plan** already in place for full efficiency by end H1
- Maintaining strong **focus on cost base** and **operational** excellence
- Reporting on **EBIT** along with three new business segments as soon as Q1 2013 **to improve visibility** and **externalize value**

Being The Partner of Choice

- Provide integrated **geoscience solutions** to our customers
- Operate **safely** and with **integrity**
- Strong **R&D** boost to accelerate **innovation** (next generation of products, Broadband, new algorithms, new acquisition concepts, reservoir integrated solutions, ...)
- Reinforce **partnerships** to enter **new markets**

Increasing Our Return on Capital Employed

- Manage asset and business portfolio to **optimize capital employed**
- Focus on **cash generation**
- Reduce **cost of debt** and **financial leverage**

Accelerating Growth...

- People, Asset and Expertise differentiation
- Wider and integrated offering
- Strategic positioning on growth markets

... while Creating Value

- For our customers and stakeholders
- Sustained & social responsible performance
- Streamlining and financial flexibility



New Organization Implemented

Equipment



Full range of products and clear market leadership Onshore, Offshore and Downhole:

- Technology leadership
- Large installed base
- A cornerstone for CGG integrated solutions

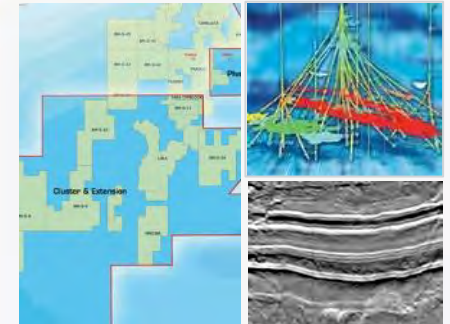
Acquisition



Full range of seismic and other geophysical methods for acquisition:

- Marine
- Land
- Airborne

Geology, Geophysics & Reservoir



- Exploration & Appraisal
- Geological Services
- Multi-Client Data Library
- Data Management Services
- Subsurface Imaging
- Satellite Mapping Services
- Reservoir Software & Services

- 9 800 Employees
- 70 locations worldwide



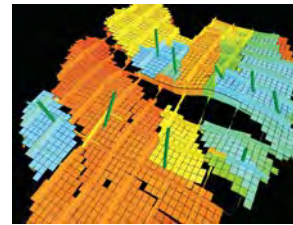
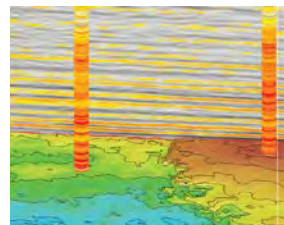
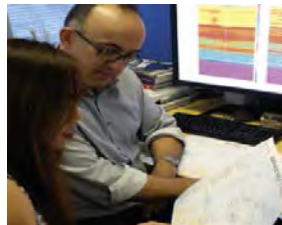
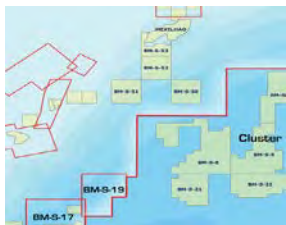
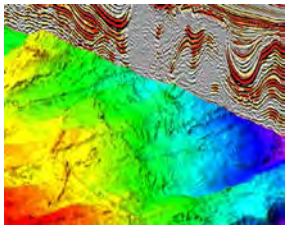
Acquisition: An Integration Well on Track

- The integration of Fugro's four C-Class vessels in the CGG fleet is progressing well as planned
 - On 1st May, two of the four C-Class vessels were equipped with BroadSeis technology during their planned dry docks and one of them has just started its first BroadSeis survey
 - The production rate was high at 93%, with all vessels including the Fugro Geoscience ones delivering a sound performance
- CGG will operate the Geo Barents and Geo Atlantic till the execution of their existing backlog
- With the Fugro Geoscience operation, CGG has acquired new capabilities in gravimetry and electro-magnetism
- Airborne has obtained its clearances and will join CGG soon
- Seabed Joint-Venture Seabed Geosolutions created on 16th February, the organization already implemented and staffed and enjoying first commercial successes



GGR: A Leader Already Operational

- Geology and basins
 - Robertson reinforces CGG's portfolio with 350 people specializing in geology
- Multi-Client
 - 50 people specializing in complementary sedimentary basins
- Data Management
 - A full range of services including physical asset management, data conditioning, National Data Repositories, bid round management, software and consulting
- Subsurface Imaging
 - 300 people specializing in Imaging, CGG now the world leader in this activity
- Reservoir Characterization
 - Jason extends Hampson-Russell's range of services with 250 people specializing in reservoir characterization



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 First Quarter Financial Review

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A Promising First Quarter 2013

- Group Revenue at \$871m, up 11%
 - Respective contribution amounting to 22% for Equipment, 48% for Acquisition, and 30% GGR
- Strong improvement in Group EBIT at \$162m* with a 19%* margin
 - The non-recurring positive impact of the Fugro Geoscience transaction / Integration is \$35m this quarter: excluding such impact, the EBIT is \$128m corresponding to a 15% margin
 - Onward, the Fugro Geoscience integration should generate other negative non-recurring charges with a full EBIT impact over the year globally neutral
- Group EBITDAs \$313m*, a margin of 36%* and total Capex at \$202m
- Net Income at \$79m
- Negative Free Cash Flow this quarter at \$(148)m* mainly due to the negative change of working capital
 - Excluding the non-recurring impact of the Fugro Geoscience transaction / Integration, the Free Cash Flow amounted this quarter to (\$132m)
- Backlog at \$1.4 billion including Fugro Geoscience backlog and excluding the SWOBS business, up 11% vs CGG stand alone backlog at Dec 31st 2012

(1) Including Fugro positive impact



New Reporting in Line with our New Organization

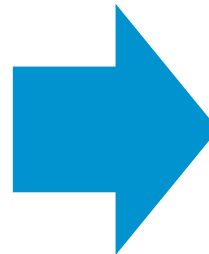
Previous Reporting

Sercel

- **Total Revenue**
 - *External Revenue*
- **EBITDAs**
- **Operating Income**

Services

- **Total External Revenue:**
 - *Marine Contract Revenue*
 - *Land Contract Revenue*
 - *Multi-Client Revenue*
 - *Marine and Land Multi-Client Revenue*
 - *Imaging & Reservoir Revenue*
- **EBITDAs**
- **Operating Income**



New Reporting

Equipment

- **Total Revenue**
 - *External Revenue*
- **EBITDAs**
- **EBIT***
- **Capital Employed**

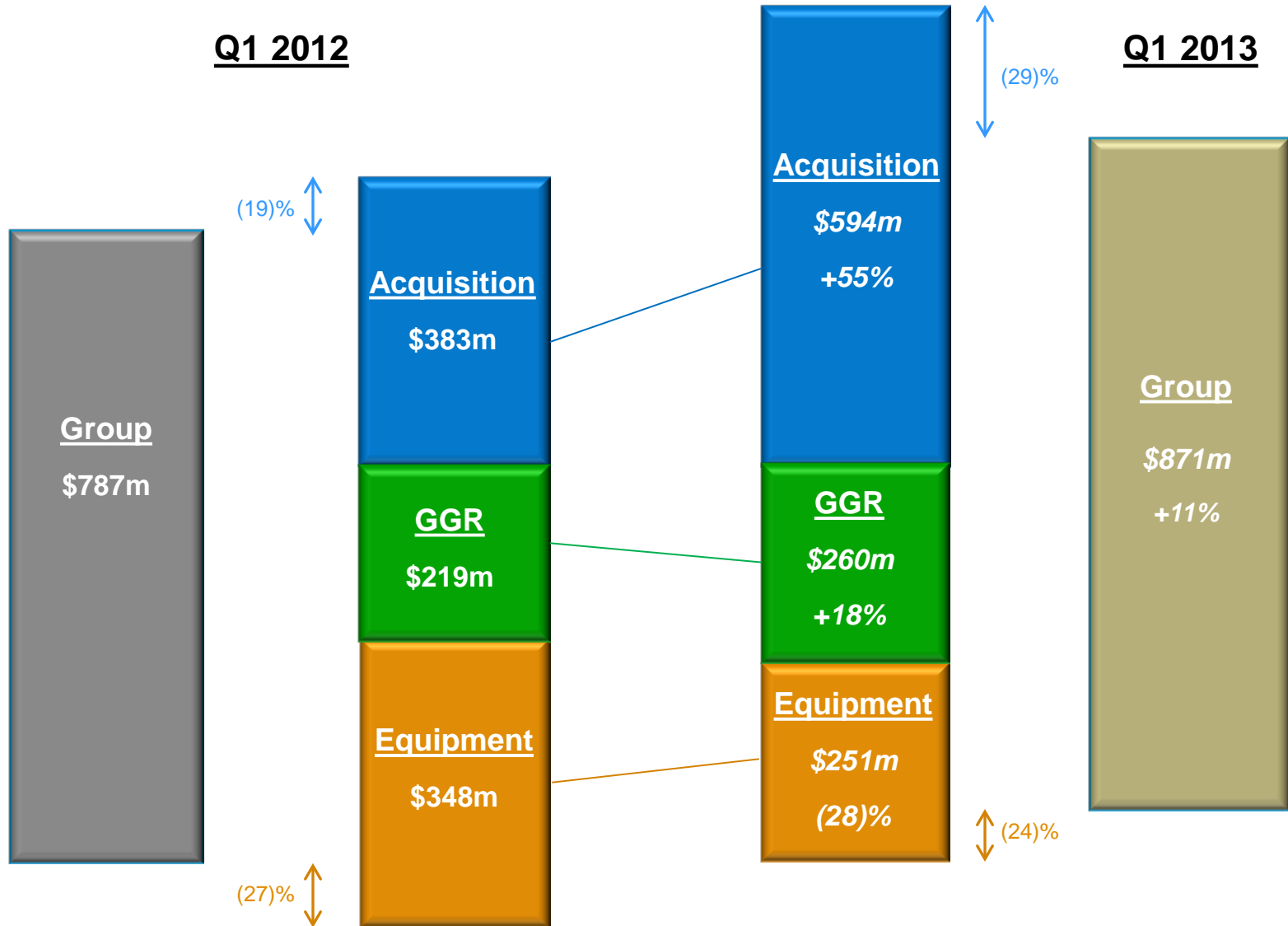
Acquisition

- **Total Revenue**
 - *External Revenue*
 - *Total Marine Acquisition Revenue*
 - *Total Land & Airborne Revenue*
- **EBITDAs**
- **EBIT***
- **Capital Employed**

GGR

- **Total Revenue**
 - *Multi-Client, Basin data, and Data Management Revenue*
 - *Imaging & Reservoir*
- **EBITDAs**
- **EBIT***
- **Capital Employed**

Revenues Growth per Business Segment



Q1 Key Figures (in million \$)

Revenue



EBIT



EBITDAs



Net Income

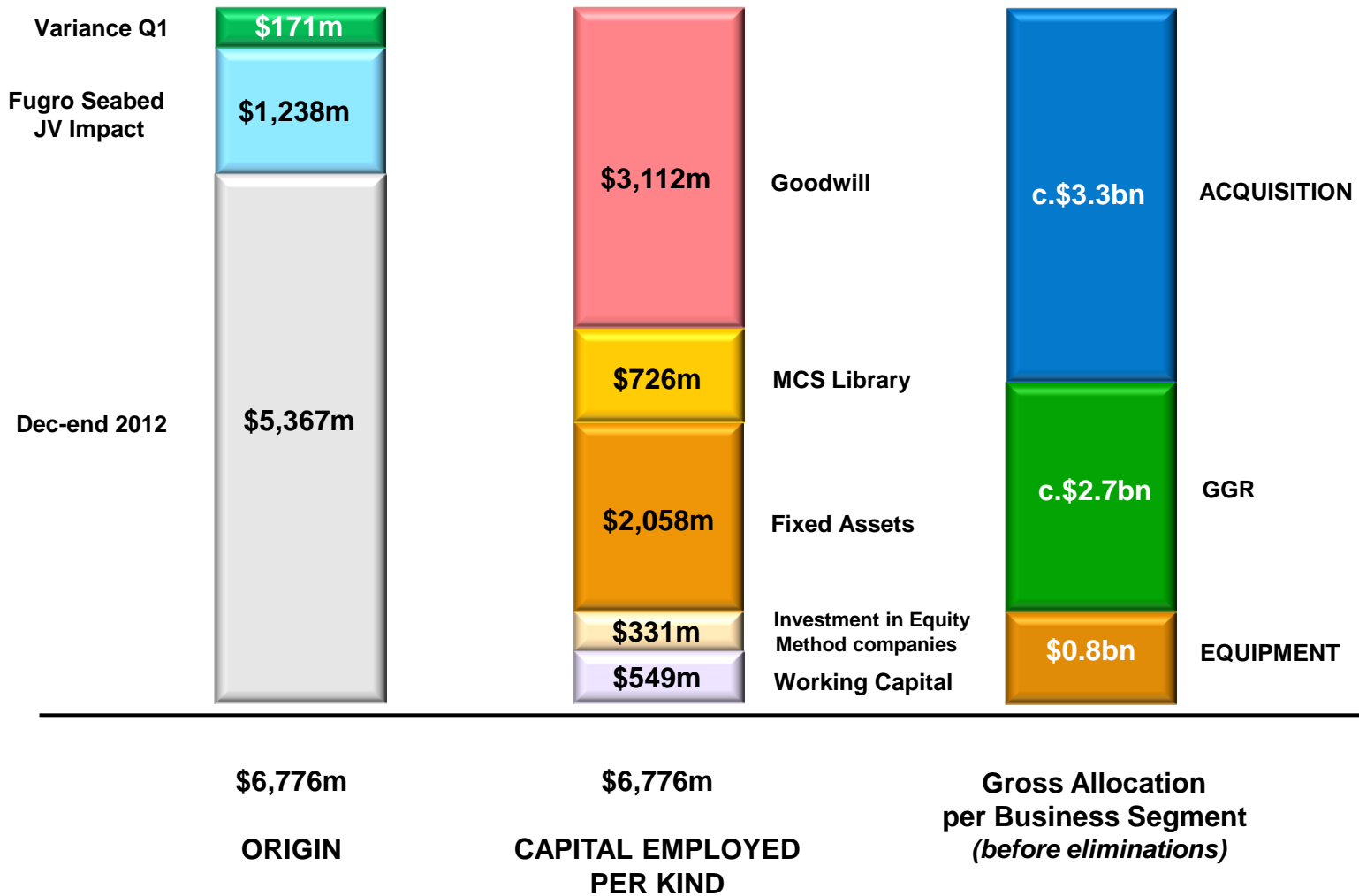


(1) Including Fugro positive impact of +\$35 million (+\$85 million of capital gain from SWOBS activity and \$(50) million of charges and provisions)



Capital Employed by March-End 2013

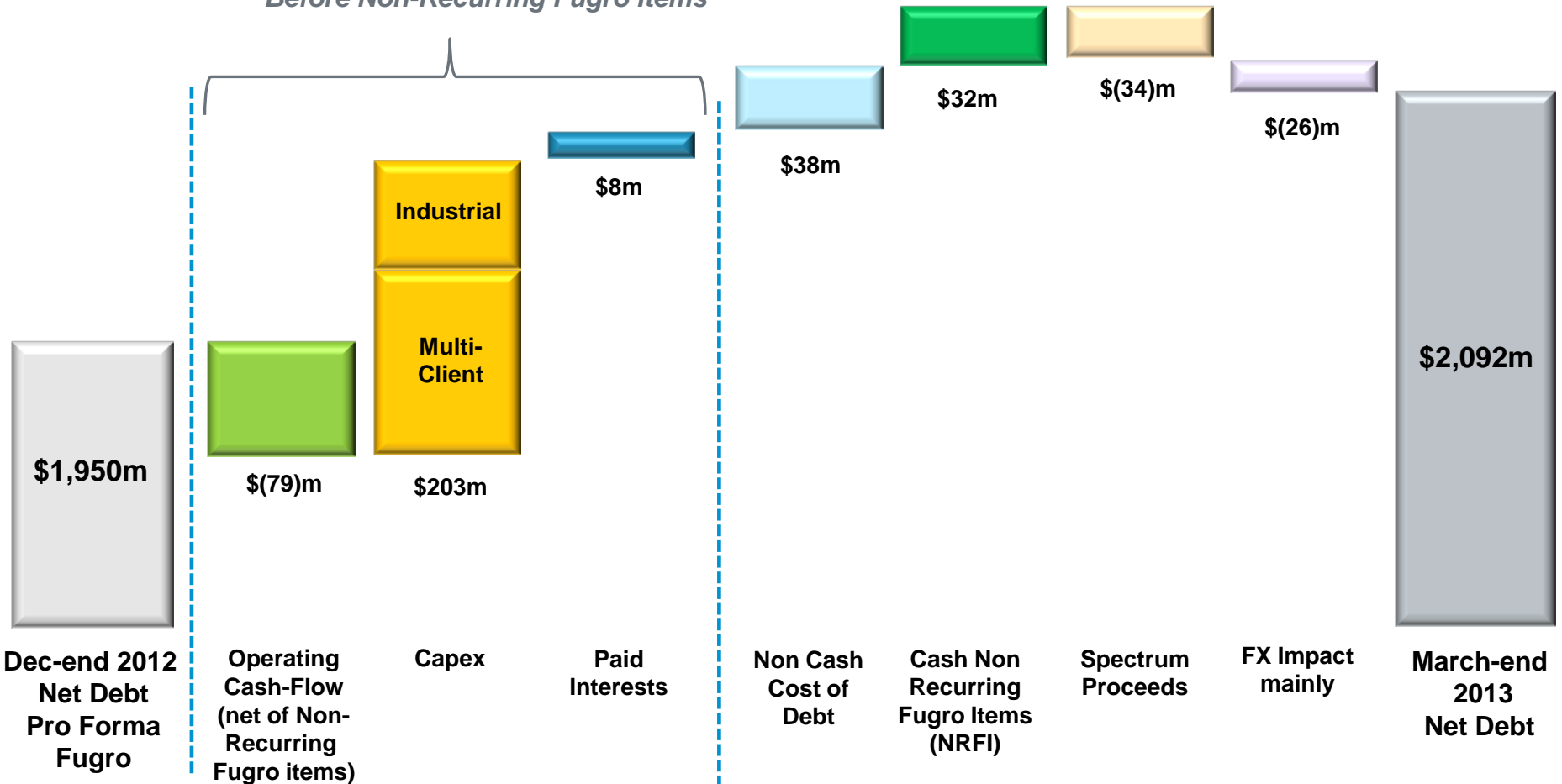
(In US\$)



Variance of Net Debt Between Dec-end and March-end

(In million)

Free Cash Flow \$(132)m
Before Non-Recurring Fugro Items





2013 First Quarter Operational Review

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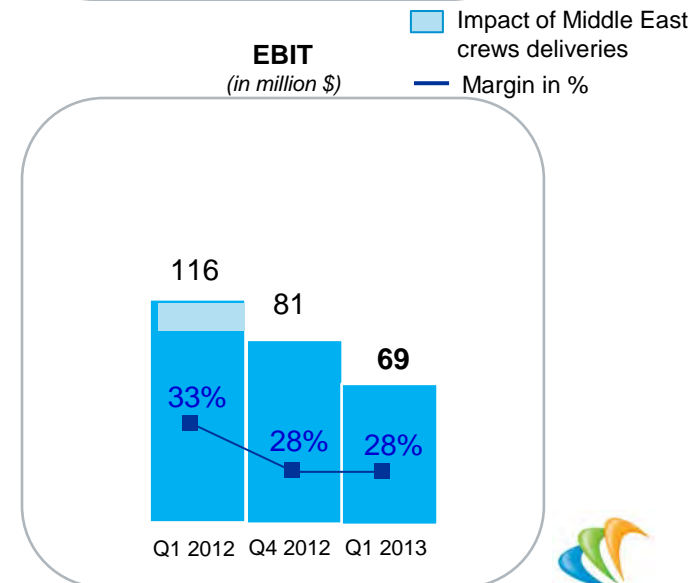
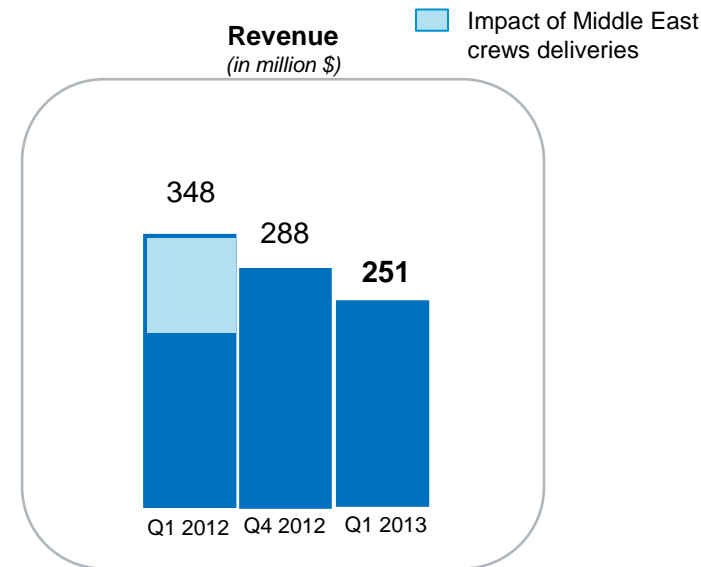
Equipment : Sustained Strong Performance

- Total Revenue at \$251m
 - External Revenue at \$190m, down 26% compared to a very strong first quarter 2012 driven by high-channel-count deliveries in the Middle East
 - Intra-group sales represented 24%
 - Sales breakdown: 54% Marine and 46% Land
 - Increase in Marine sales and decrease in Land sales year-on-year
 - Well-balanced sales worldwide including Russia for winter operations

- EBITDAs at \$81m, a margin of 32%

- Sustained high EBIT margin at 28% with the acceleration of qualification programs for new product ranges

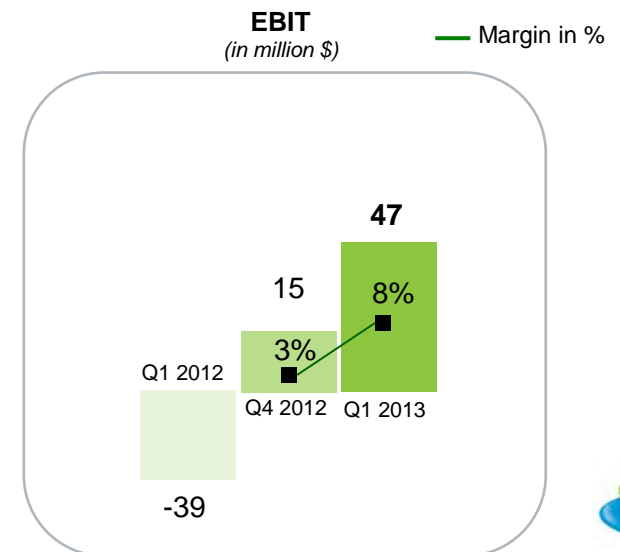
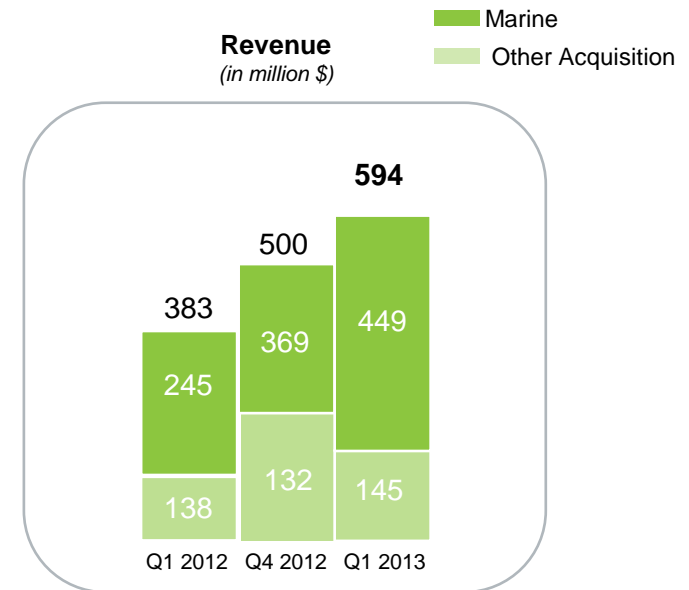
- Capital Employed at \$0.8 billion



Acquisition : Strong Operational Improvement

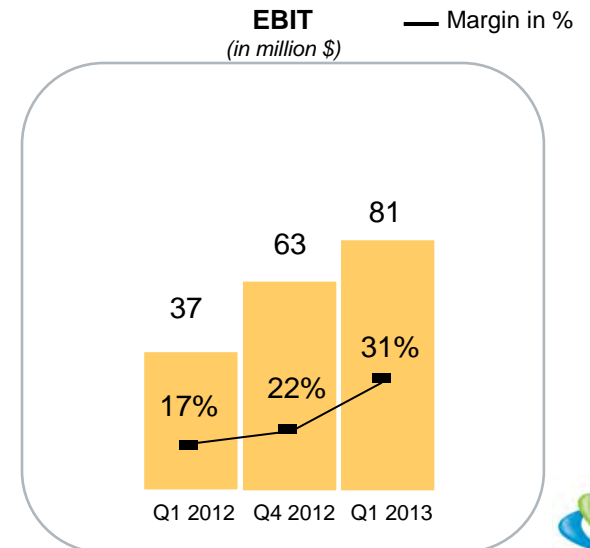
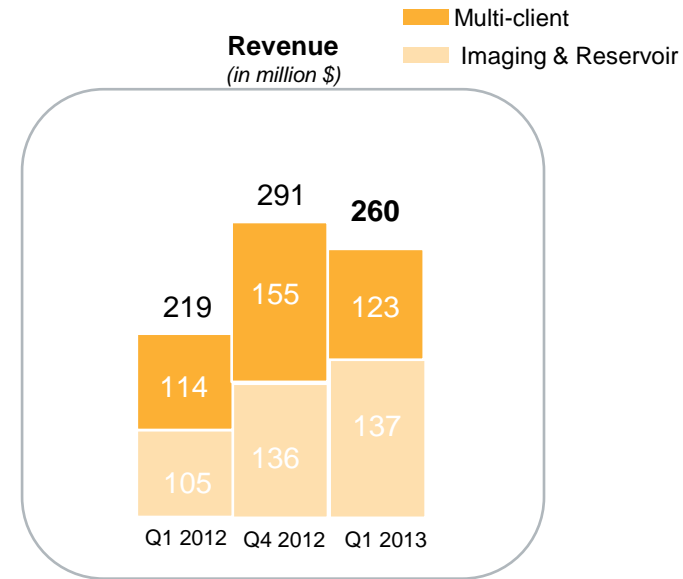
- Total Revenue at \$594m, up 55%
 - External Revenue at \$421m
- Marine: Strong increase in Revenue at \$449m
 - Integration on 1st February of Fugro's C-Class four, the Geo Barents and Geo Atlantic vessels
 - 36% of the fleet dedicated to multi-client programs
 - Availability rate at 88%, due to the ongoing integration of Fugro vessels and high production rate at 93%
- Land & Airborne* Revenue: \$145m
 - Strong winter campaign in North America and sustained activity in EAME
 - Challenging safety conditions in North Africa
- EBITDAs at \$121m a margin of 20%
- EBIT at \$47m, a margin of 8%
- Capital Employed at \$3.3 billion

*not yet part of CGG



GGR : Excellent Start to the Year

- Revenue at \$260m, up 18%
- Multi-client and basin data: \$123m
 - \$127m cash capex in Angola, GoM, Australia and Barents Sea
 - Prefunding rate at 48%
 - Depreciation rate at 64%
 - Good level of after-sales in GoM and Brazil
 - Increasing interest for IBALT program
 - Solid basin data sales
- Imaging & Reservoir: \$137m
 - Record performance for imaging activities
 - Sustained demand in our main Imaging centers
 - Buoyant market for the new geology and reservoir characterization businesses
- EBITDAs at \$163m, a margin of 63%
- EBIT at \$81m, a high margin at 31% including \$20m capital gain related to the sale of our stake in Spectrum
- Capital Employed at \$2.7 billion





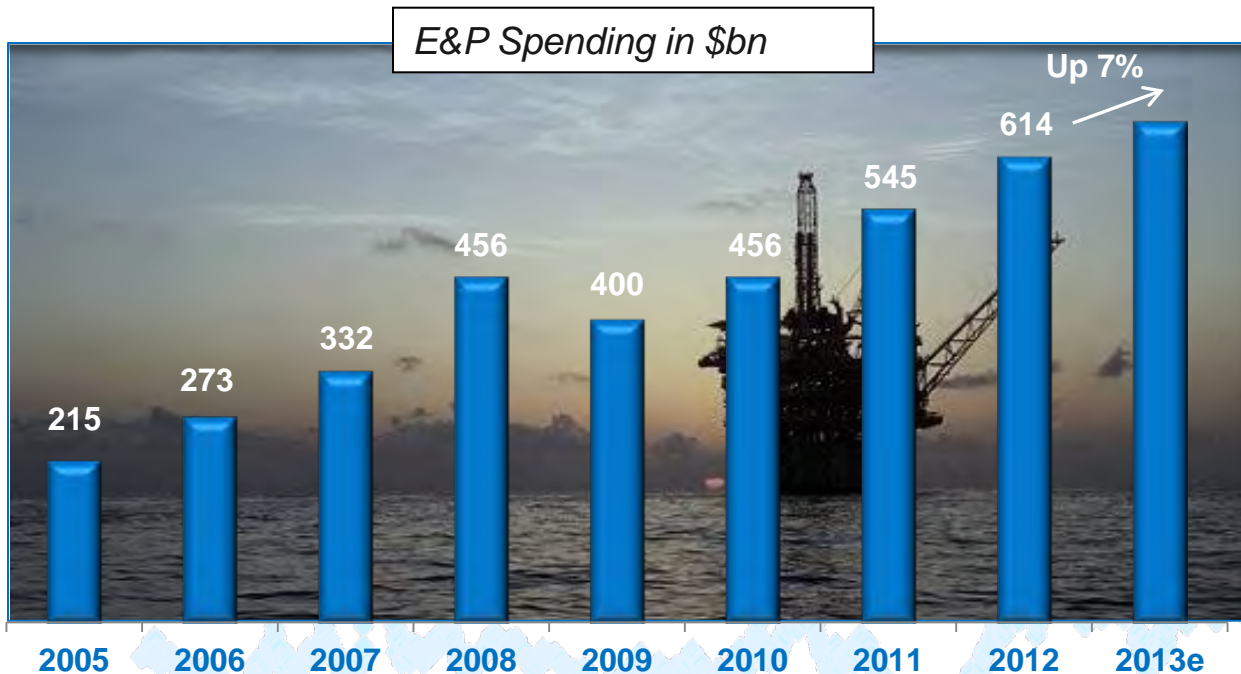
2013 Outlook

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A Favorable Environment for Geoscience

- E&P spending is strengthening leading to:
 - Increased global geophysical activity in ultra deep waters and new frontiers
 - Geology & Geophysics' role becoming critical,
 - Extra demand in data content
- Increasing impact of Geoscience on production strategies shifting to tight reservoir



Source: Barclays Capital



2012 Activity and 2013 Trends for New CGG

2012 Activity*

Equipment

- Revenue: \$1.2 Bn

Acquisition

- Revenue: \$1.9 Bn

GGR

- Revenue: \$950 m

Fugro
Geoscience

Integration
1st February
2013

2013 Trends

- **Stable External Revenue**
 - Large land projects delayed in 2014
 - Stable marine market
- **Increase in R&D capex**
 - Launch of new products
- **Capital Employed****: \$0.8 billion

- **25% Growth**
- **3D high-end Fleet target**: 18 vessels
- **SWOBS**: Creation of Seabed JV
- **Capital Employed****: \$3.3 billion

- **Growth of 45%**
- Multi-client activity driven by programs in new basins and by large number of block licensing rounds and very active Geology market
- **Buoyant market** for Imaging and Reservoir activities
- **Capital Employed****: \$2.7 billion

+25% increase in
revenue

*2012 CGG stand alone

**By end March 2013



2013 Financial Objectives

In this year of transformation:

- Total capex should be around \$350 - 400 million
- Multi-client Cash capex should be around \$350 - 400 million with a prefunding rate above 75%
- In 2013, the capital gain from the sale of the SWOBS activity should offset non-recurring charges and provisions related to the Fugro Geoscience acquisition

CGG confirms its objectives:

- 25% Revenue Growth
- EBIT margin improvement
- Return on Capital Employed improvement
- Positive Free Cash Flow generation





Thank you

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