Q1 2016 Financial Results

Quarterly results strongly impacted by very low volumes
Transformation Plan on track and strong cash generation

All results are presented before Non-Recurring Charges & write-off, unless stated otherwise
This presentation contains forward-looking statements, including, without limitation, statements about CGG ("the Company") plans, strategies and prospects. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, the Company’s actual results may differ materially from those that were expected. The Company based these forward-looking statements on its current assumptions, expectations and projections about future events. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it is very difficult to predict the impact of known factors and it is impossible for us to anticipate all factors that could affect our proposed results. All forward-looking statements are based upon information available to the Company as of the date of this presentation. Important factors that could cause actual results to differ materially from management’s expectations are disclosed in the Company’s periodic reports and registration statements filed with the SEC and the AMF. Investors are cautioned not to place undue reliance on such forward-looking statements.
Q1 2016 Financial Highlights

- In a depressed market environment, CGG delivered a weak operating income
  - Revenue at $313m, down 45% y-o-y and Operating Income at $(81)m
  - GGR: very low multi-client revenue after strong Q4, margin impacted by high amortization rate and low after-sales
  - Equipment: sales and margin strongly impacted by very low volumes
  - Contractual Data Acquisition: a transitional quarter with good operational performance in low but stabilizing marine pricing conditions

- Execution of Transformation Plan on track
  - 3D marine fleet downsized to 5 vessels
  - Good ramp-up of our 2016 multi-client programs
  - Staff, Costs & Capex reduction plans on track

- Successful capital increase and extension of French Revolver Credit Facility

- Strong cash generation
  - Positive Free cash flow at $118m versus negative $(20)m in Q1 2015
Q1 2016 Operational Highlights

- **Multi-Client**
  - 25% of fleet dedicated to multi-client production in Q1, notably active in Brazil
  - Fleet dedicated to multi-client expected to be 70% in Q2 and 60% in Q3

- **SI & Reservoir**
  - Successful delivery of the first large high-density broadband integrated survey offshore Asia, from marine acquisition, data processing and imaging, to reservoir inversion
  - First Simultaneous Shooting of data acquired and processed for multi-client program offshore West Africa
  - Excellent results from the new least-squares Reverse Time Migration technology in subsalt imaging in the deepwater Gulf of Mexico

- **Equipment**
  - Land sales: Sercel Nomad 65 vibrator to Saudi Arabia and 428 XL traces to Algeria
  - Marine sales: driven by maintenance

- **Contractual Data Acquisition**
  - 6 vessels operated and strong Marine operational performance
    - 94% availability rate and 94% production rate
Operational Review
GGR: Profitability impacted by low volumes and weak Multi-Client after-sales

- Total revenue at $164m, down (31)% y-o-y
  - 25% of fleet dedicated to multi-client production

- Multi-Client at $55m, down (44)% y-o-y
  - Prefunding sales at $47m, up 13%
  - Cash prefunding rate at 67% vs 58% in Q1 2015
  - After-sales at $8m, down (87)% following strong Q4 2015

- Subsurface Imaging (SI) & Reservoir at $109m, down (22)% y-o-y
  - Good commercial performance, volumes in line with market reduction

- EBITDAs at $69m

- Operating income at $8m, a 5% margin
  - Impacted by low multi-client after-sales and high amortization rate at 78%, versus 62% in Q4 2015 and 54% in Q1 2015

(1) New reporting format
Equipment: Strongly impacted by very low volumes

- Total sales at $73m, down (42)% y-o-y
  - Particularly low volumes in Q1
  - 72% Land and 28% Marine equipment
  - Internal sales at $11m, stable
- EBITDAs at $(1)m
- Operating income at $(11)m
  - Highly sensitive to volume
- Stable market share
Contractual Data Acquisition: Weak market conditions, Perimeter effects & Transformation Plan implementation

- Total revenue at $89m, down (59)% y-o-y
- Marine revenue at $58m, down (66)% y-o-y
  - 75% dedicated to contractual marine market
  - Poor but stabilizing market conditions
- Land & Multi-Physics total revenue at $31m, down (34)% y-o-y
  - Multi-Physics divestment underway
- EBITDAs at $(14)m
- Operating Income at $(34)m
Non-Operated Resources (N.O.R)

- EBITDAs at $(10)m
- Operating Income at $(27)m
  - Amortization of excess streamers and lay-up costs
  - Gradual cold-stacking of vessels negatively impacting operating income
Financial Review
## Q1 2016: P&L

- Group EBITDAs at $27m, EBITDAs excluding NOR at $37m
- Group OPINC at $(81)m, OPINC excluding NOR at $(54)m
- Net Income at $(130)m
Q1 2016: Strong cash generation

- EBITDAs at $27m, down (81)% y-o-y
- Operating Cash Flow at $238m, up 105% y-o-y
  - Not including $(42)m non-recurring payments related to the Transformation Plan
- Capex at $88m, down (20)% y-o-y
  - Multi-client cash capex at $70m, down (2)%
  - Industrial capex at $9m, down (66)%
- Positive Free Cash Flow at $118m versus negative $(20)m last year
  - FCF at $76m including the non-recurring payments related to the Transformation Plan
Debt profile: No major debt instalment before 2019

- €/$ closing rate at 1.14
- Average Maturity, excluding RCF, at 4.2 years as of end March 2016
- Average cost of debt, excluding RCF, at 5.4%
- $275m French RCF extended to June 2018
Strong liquidity and stable leverage ratio

Liquidity by end March

- Group Liquidity (available cash plus undrawn RCF) at $853m
- Post c.$370m net proceeds of the rights issue
- US & French RCF fully undrawn by end of March

RCF Covenant Headroom

- Group Net Debt at $2,102m as of March 2016 from $2,500m at Dec.15
- Leverage ratio (Net Debt over LTM EBITDA – Cap at 5.0x) at 3.8x
- Coverage ratio (LTM EBITDA over Cash Interests - Floor at 3.0x) at 3.6x
Conclusion
Geoscience Solutions at all scales: A dynamic transformation focused on less capital-intensive businesses

- Licensing round consultancy
- Sedimentology
- Facies analysis and depositional modeling
- Economics
- Reservoir field development studies
- Seismic Acquisition & Interpretation
- Well log interpretation
- Seismic reservoir characterization
- Petroleum reservoir engineering
- Reservoir modeling and history matching
- Reservoir volumetrics
- Reservoir modeling and history matching
- Seismic reservoir characterization
- Petroleum reservoir engineering
Focus on Transformation Plan Execution and Cash Generation

- **A depressed Oil & Gas environment**
  - Unprecedented sequence of E&P investment cuts
  - Q1 2016 turned out to be one of the weakest ever
  - High uncertainties and volatility remaining
  - Increasing evidence of a supply and demand mid-term tightening

- **Focusing on our high added-value businesses and what we can control**
  - Adapt, reduce and cut massively in our cost base
  - Execute our Transformation Plan with no concessions
  - Continuously improve our operational and HSE performance
  - Leverage our business portfolio
  - Secure our liquidity during the downturn

- **Full-Year CAPEX: Cash multi-client at $325m/$375m and industrial at $100m/$125m**

Reap full benefits of the Transformation Plan in the second half
Year-end 2016 Net debt targeted below $2.4bn
Thank you