September 2017 roadshow presentation

H1 financial results

Financial restructuring update

All results are presented before Non-Recurring Charges & write-off, unless stated otherwise
Forward-looking statements

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.
H1 2017 operational highlights

- GGR: more resilient business segment
  - Multi-Client sales particularly active in Gulf of Mexico and Brazil ahead of licensing rounds
  - Long term dedicated processing centers award in Oman and Thailand highlighting clients’ support

- Equipment: still impacted by very low volumes
  - Gauges business strengthening in Land
  - Very successful start of Sentinel MS on CGG Coral

- Contractual data acquisition: stable year-on-year
  - Good Marine operational performance in very challenging market conditions
  - Large contractual survey conducted for PEMEX

- Strong operational delivery
  - Safeguarding business continuity remains our priority
  - No commercial disruption to our activities
H1 2017 P&L

- Group Revenue at $599m, stable y-o-y
- Group EBITDAs at $149m
  - Embedding $220m contribution from GGR
- Group OPINC at $(71)m, OPINC excluding NOR at $(45)m
- $(124)m non-recurring charges related to Global Seismic Shipping JV implementation and costs of financial restructuring
- Net Income at $(315)m
Strong EBITDA but negative FCF as expected

- EBITDAs at $149m, up 14% y-o-y
- Operating Cash Flow at $87m, down (77)% y-o-y
  - As anticipated, negative working capital effect at $(45)m in H1 2017 compared to $+234m in H1 2016
- Capex at $146m, down (28)% y-o-y
  - Multi-client cash capex at $108m
  - Industrial capex at $23m
- Free Cash Flow at $(98)m versus $97m last year
  - After $(100)m cash-outs related to the Transformation Plan, including $(45)m related to financial restructuring
    - Free Cash Flow at $(198)m

* Excluding change in fixed assets payables
Debt and Liquidity by end June

- **Group Net Debt** at **$2,497m** as of June 2017
- **Group Liquidity** at **$315m**
- Maintenance **covenants not applicable** at June-end, as a result of French Safeguard and US Chapter 11 procedures

* Negative FCF including cash NRC
Financial Restructuring in progress
CGG’s priorities

- Protect the corporate interest of the Company and the full value of its businesses
  - Timetable to deliver the targeted financial restructuring is of the essence in the present market environment

- Preserve the Group’s integrity
  - Highly interlinked technologies, production units and geographies

- Provide a framework for long-term sustainability for the Company’s businesses, employees and customers
  - CGG is a services company whose value is mostly made up of clients and people
  - Provide the Company adequate liquidity to face any possible delay in the geoscience market recovery

- Find a solution respecting the existing interest of each stakeholder and their ability to take part in the Company’s recovery
  - Heterogeneous rights and weights of the stakeholders depending of their subordination rank
Financial restructuring objectives met (1/2)

- Norwegian legacy Maritime Liabilities and **Nordic Debt** fully addressed in Q1
  - c. $200m nordic debt externalization and extension from 2019 up to 2027
Financial restructuring objectives met (2/2)

- **Full Equitization** of the principal amount of the unsecured debt leading to substantial Group deleveraging
  - $1.9bn coming from $1.5bn Senior Notes and $0.4bn Oceans

- **Extension of the maturity** of the secured debt to 2023, 5 years from restructuring closing date
  - $0.8bn in total, with up to $150m repaid at closing

- **Significantly improved liquidity** position both to protect the Company in the event of operational sensitivities and to be able to finance growth at recovery time
  - $500m gross new money in total, with $375m new 2024 HYB and $125m rights issue (i.e. €112m at €1.56 per share), both fully backstopped
  - c. $300m* net new money post $150m secured creditors repayment and cash placement fees

*Assuming full take-up of the rights issue*
$2.1bn net debt* reduction by YE 2017 on pro forma basis

- **Net Debt before restructuring**
  - $2.45bn by YE 2016
  - $2.85bn target by YE 2017

- **Net Debt after restructuring**
  - $0.45bn by YE 2016 (pro forma basis)
  - $0.725bn target and pro forma by YE 2017

= $2.1bn reduction

*Net Debt including Capital Leases and excluding IFRS adjustments / Round figures / FX rate at 1.12 (June 14th)
Senior debt profile: maturities moved to 2023/2024

- **Senior debt** down from $2.75bn before Restructuring to $1.1bn post restructuring
- **Maturities** extended to January 2023 and January 2024, assuming January 2018 for the Restructuring completion date
- **Average cost** of debt at 7.0% cash + 5.0% PIK
  - c. $85m cash burden in 2018
Restructuring Savings (over 2017-2019)

- ML mitigation & Nordic Loan: c. $300m
- Cost of Debt reduction net of fees: c. $200m

Additional Liquidity

- Net New Money: c. $300m
- Basket allowing for new Secured debt: c. $200m

Group liquidity: $1bn improvement at YE 2019 horizon
Conclusion
Outlook: 2017 market outlook unchanged

- **Unchanged 2017 guidance**
  - 2017 operating results expected to be in line with 2016
  - Multi-client cash capex expected to be at $250-300m, with cash prefunding rate above 70% and industrial capex at $75-100m
  - Cash generation expected to be lower in 2017 due to lack of positive change in working capital versus 2016

- **H2 traditional pattern with weaker Q3 and stronger Q4**
Outlook: 2017 market, a contrasted activity

- **Equipment:** low volumes in a context of uncertain recovery horizon

- **Data acquisition:**
  - Impacted by the usual unfavorable seasonality in H2
  - Strong technology position with Topseis in North Sea

- **Multi-Client:** sales supported by good positioning and recent & modern data library in key sedimentary basins
  - Ireland campaign in Q2
  - Strong position in Brazil
  - Mozambique survey preparation

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Multi-Client data library offering in the Campos & Santos basins
Thank you

Visit our website at cgg.com
H1 2017 P&L by segment
## H1 2017 P&L

<table>
<thead>
<tr>
<th>Consolidated Income Statements</th>
<th>First Half 2016</th>
<th>First Half 2017</th>
<th>Variation Year-on-year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In Million $</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Revenue</strong></td>
<td>603.2</td>
<td>599.2</td>
<td>(1)%</td>
</tr>
<tr>
<td>GGR</td>
<td>360.4</td>
<td>378.7</td>
<td>5%</td>
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<tr>
<td>Equipment</td>
<td>117.5</td>
<td>85.4</td>
<td>(27)%</td>
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<tr>
<td>Contractual Data Acquisition</td>
<td>148.3</td>
<td>148.5</td>
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<tr>
<td>Elimination</td>
<td>(23.0)</td>
<td>(13.4)</td>
<td>(42)%</td>
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<td><strong>EBITDAs before NRC</strong></td>
<td>130.9</td>
<td>148.7</td>
<td>14%</td>
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<td>Equipment</td>
<td>(10.5)</td>
<td>(14.2)</td>
<td>(35)%</td>
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<tr>
<td>Contractual Data Acquisition</td>
<td>(4.5)</td>
<td>(26.1)</td>
<td>(480)%</td>
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<tr>
<td>Non-Operated Resources</td>
<td>(14.7)</td>
<td>(10.0)</td>
<td>32%</td>
</tr>
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<td>Corporate</td>
<td>(17.6)</td>
<td>(16.4)</td>
<td>(7)%</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(10.4)</td>
<td>(4.1)</td>
<td>(61)%</td>
</tr>
<tr>
<td>NRC before impairment</td>
<td>(7.2)</td>
<td>(124.4)</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Operating Income before NRC</strong></td>
<td><strong>(103.7)</strong></td>
<td><strong>(70.7)</strong></td>
<td>32%</td>
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<tr>
<td>GGR</td>
<td>36.7</td>
<td>55.6</td>
<td>51%</td>
</tr>
<tr>
<td>Equipment</td>
<td>(29.1)</td>
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</tr>
<tr>
<td>(52)%</td>
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<td></td>
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<td>Non-Operated Resources</td>
<td>(49.2)</td>
<td>(25.6)</td>
<td>48%</td>
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<tr>
<td>Corporate</td>
<td>(17.6)</td>
<td>(16.4)</td>
<td>(7)%</td>
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<tr>
<td>Eliminations</td>
<td>(10.7)</td>
<td>(4.0)</td>
<td>(63)%</td>
</tr>
<tr>
<td>NRC</td>
<td>(7.2)</td>
<td>(124.4)</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Operating Income after NRC</strong></td>
<td><strong>(110.9)</strong></td>
<td><strong>(195.1)</strong></td>
<td>(76)%</td>
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<tr>
<td>Net Financial Costs</td>
<td>(85.2)</td>
<td>(96.6)</td>
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<td>Income Taxes</td>
<td>(14.3)</td>
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<td>Deferred Tax on Currency Translation</td>
<td>1.6</td>
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<td>(38)%</td>
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<td>Equity from Investments</td>
<td>(0.1)</td>
<td>0</td>
<td>(100)%</td>
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<tr>
<td><strong>Net Income</strong></td>
<td><strong>(208.9)</strong></td>
<td><strong>(314.8)</strong></td>
<td>(51)%</td>
</tr>
</tbody>
</table>
Q2 Operational Review
GGR: solid multi-client sales boosted by licensing rounds

- **Total revenue at $221m, up 12% y-o-y**
- **Multi-Client at $133m, up 39% y-o-y**
  - Multi-client sales particularly active in Gulf of Mexico (US & Mexico) and Brazil
  - Prefunding sales at $73m and after-sales at $59m
  - High cash prefunding rate at 122%
  - 48% fleet allocation to multi-client programs
  - Fleet allocation to multi-client programs expected to be c. 35% in Q3 and c. 65% in Q4 2017

- **Subsurface Imaging (SI) & Reservoir at $88m, down (13)% y-o-y**
  - Long term dedicated processing center awarded in Oman and Thailand
  - Reservoir businesses impacted by low capex spending

- **EBITDAs at $139m**
- **Operating income at $37m, a 17% margin**
  - Margin improvement driven by higher after-sales
**Equipment: persistent low volumes**

- **Total sales at $53m, up 20% y-o-y**
  - Sales split: 49% Land and 51% Marine
  - Land sales: equipment delivered to Algeria and India; active gauges business
  - Marine sales: low marine sales including some second-hand equipment
  - Very successful start of Sentinel MS on CGG Coral
  - Internal sales at $5m versus $8m in Q2 2016

- **EBITDAs at $(6)m**

- **Operating income at $(13)m**
  - Unfavorable product mix
Contractual Data Acquisition: continuing competitive market environment

- Total revenue at $82m, up 39% y-o-y
- Marine revenue at $61m, up 173% y-o-y
  - 52% allocation to marine contractual activities (71% in Q1 2017)
  - Outstanding fleet operational performance with 98% production rate and 100% availability rate
  - Better fleet availability in Q2, after mobilization on two large surveys and vessel swap in Q1
- Land & Multi-Physics total revenue at $21m, down (43)% y-o-y
  - Low market activity, slow client decision process
- EBITDAs at $(1)m
- Operating Income at $(13)m
  - Strong fleet productivity and positive impact of Global Seismic Shipping (GSS) on the cost structure
Non-Operated Resources (N.O.R)

- EBITDAs at $(2)m
- Operating Income at $(5)m
  - Amortization of excess streamers
- Global Seismic Shipping (GSS)
  - 50/50 with Eidesvik, accounted for in Equity from Investments
  - 3 active vessels and 4 cold-stacked vessels transferred to GSS
  - GSS chartering to CGG up to 5 vessels through umbrella capacity agreements