



1st Quarter 2018 Financial Results

Strengthened segment EBITDAs margin in gradual market improvement

Reiterated 2018 outlook

All figures are "Segment figures" presented before IFRS 15 and Non-Recurring Charges & write-offs, 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.



Operational review

Q1 2018: Strengthened segment EBITDAs margin in gradual market improvement

- Segment revenue at \$295m, up 18% y-o-y
- Segment EBITDAs at \$53m up 85% y-o-y, an 18% margin
- Segment operating income at \$(22)m
- Net income at \$647m
 - Driven by financial restructuring impact of c. +\$0.76bn



NPA satellite mapping

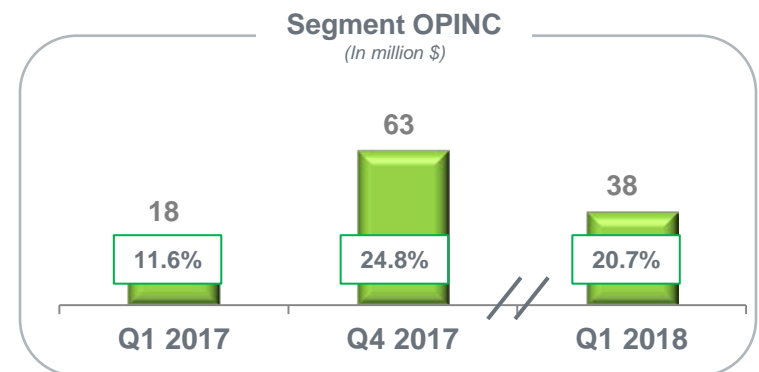
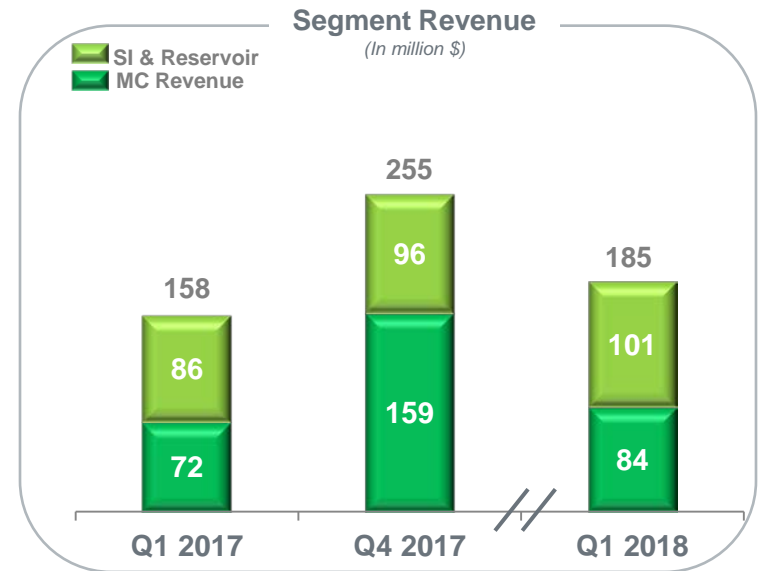


Stacked computers



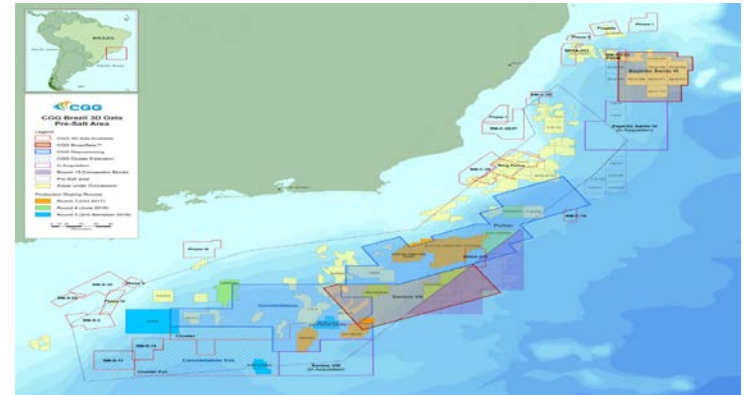
GGR: solid activity increase

- Segment revenue at \$185m, up 17% y-o-y
- Multi-Client at \$84m, up 17% y-o-y
 - Multi-client sales particularly active in Brazil and the North Sea
 - Prefunding revenue at \$49m and after-sales at \$35m
 - Cash prefunding rate at 79%
 - 44% fleet allocation to multi-client programs in Q1 and expected to be c. 40% in Q2 and c. 50% in Q3
- Subsurface Imaging (SI) & Reservoir at \$101m, up 17% y-o-y
 - with all businesses on track
- Segment EBITDAs at \$97m
- Segment operating income at \$38m, a 21% margin
 - Margin increase due to favorable revenue mix with multi-client depreciation rate of 53%, versus 66% in Q1 2017



GGR: operational highlights

- **Subsurface Imaging**
 - TopSeis processing in the Barents Sea delivered excellent results, client comment: *“Best seismic data I’ve seen from the Barents Sea. Data looked better than anticipated, I’m really impressed.”*
 - Deblending/denoise technologies proved highly effective for Ocean Bottom Cable processing
- **Multi-Client: completing our strong coverage in Brazil**
 - Acquisition of 8,000 km² 3D multi-client survey in the pre-salt area of the deepwater Santos Basin, to be merged with the 44,000 km² of *Constellation*
 - Fast track to be delivered in Q4 2018 and final products in Q2 2019
- **CGG MC data library well positioned for some key licensing rounds expected in 2018**

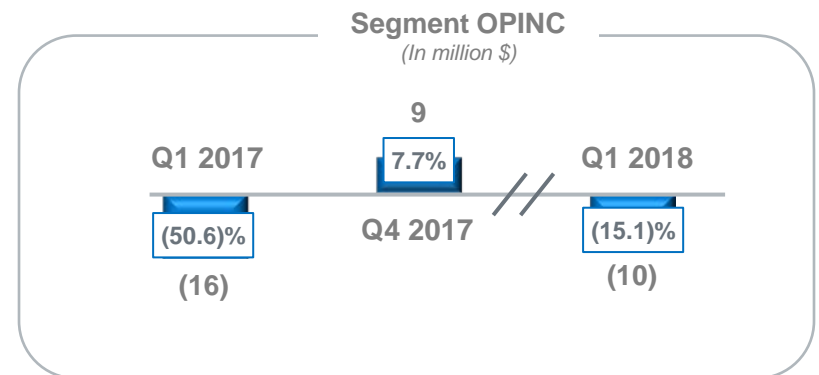
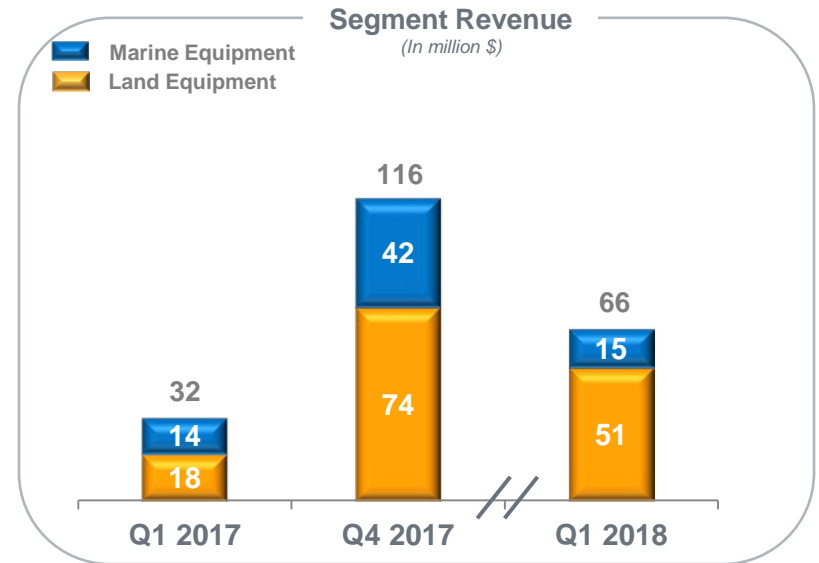


Key licence rounds (2018)	
Brazil	15 th Round (concession regime) 22 offshore blocks awarded 4 th Round (pre-salt June 18) Santos and Campos basins
Norway	24 th Round – new frontier awards before summer & APA 2018 theoretical awards in September
US	Lease sale 250 (GoM) & Lease sale 251 (GoM)
Mexico	& Round 3.1 (shallow water) & Round 3.2 (onshore) & Round 3.3 (onshore)
UK	30 th Offshore Licensing Round 96 applications for 239 blocks in the UKCS – pending awards
MZ	Round planned for 2018 5 th round winners Exxon, Sasol, Delonex and ENI



Equipment: robust Land volume recovery

- Segment sales at \$66m, up 103% y-o-y
 - A robust rebound in external sales up 92% at \$49m, from a very low point in 2017
 - Higher internal sales at \$17m driven by Unite deliveries (Land wireless system)
 - Sales split: 78% Land and 22% Marine
- Segment EBITDAs at \$(3)m
- Segment operating income at \$(10)m
 - Low volumes and unfavorable mix product in Q1



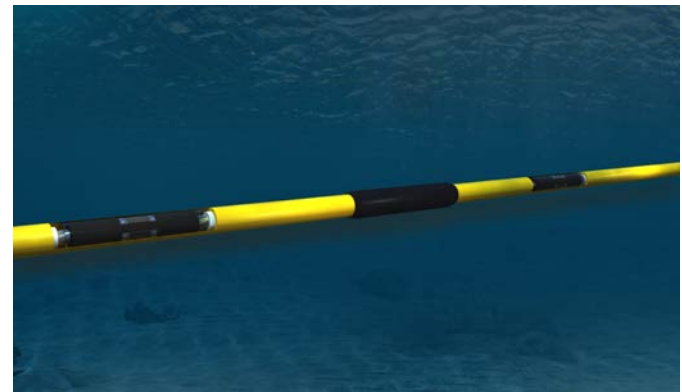
Equipment: operational highlights

- **Algeria**
 - Delivery of a 25,000-channel 508XT land seismic acquisition system and 15 Nomad 65 Neo broadband vibrators

- **Technology**
 - Sale of one of a new Sentinel® HR (high-resolution) solid streamers to AWI a German research foundation specializing in polar research
 - Provides highly detailed images of the shallow sediment layers in the most challenging environments



Nomad vibrators in Algeria

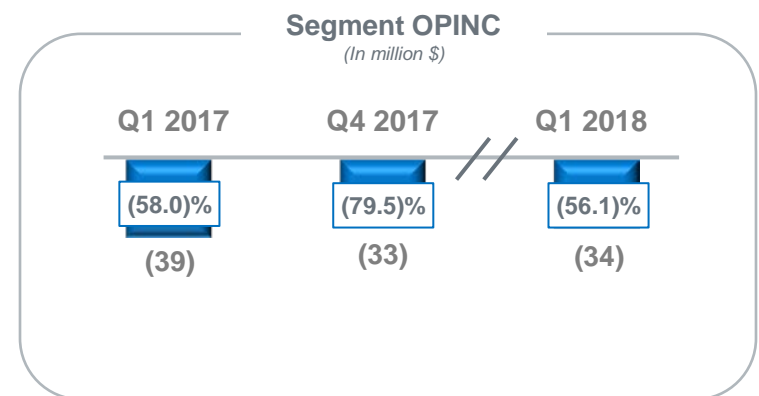
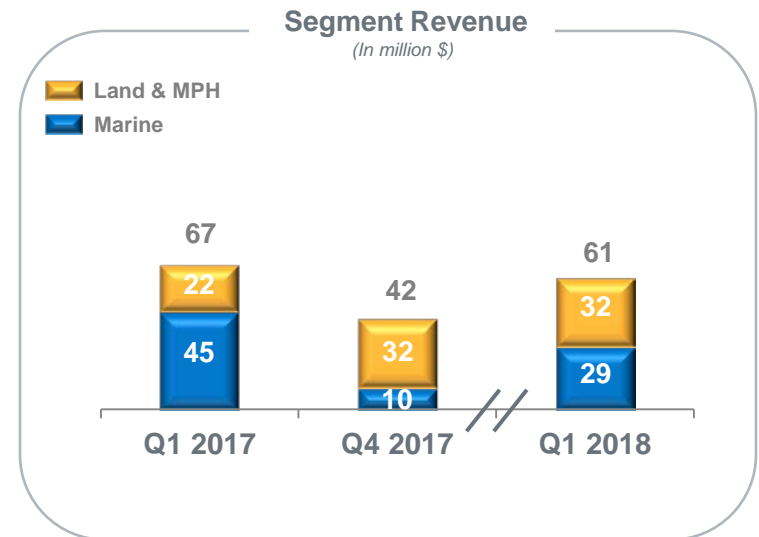


Sercel Sentinel HR seismic streamer



Contractual Data Acquisition: continued challenging market environment

- Segment revenue at \$61m, down 8% y-o-y
- Marine revenue at \$29m, down 35% y-o-y
 - Solid operational performance in weak market conditions
 - 93% availability rate and 96% production rate
 - 56% allocation to marine contractual activities (71% in Q1 2017)
- Land & Multi-Physics (MPH) total revenue at \$32m, up 48% y-o-y
 - Driven by improved Land and Mining markets
- Segment EBITDAs at \$(25)m
- Segment operating income at \$(34)m
 - Continued low prices in Marine
 - Delayed operations in Land and MPH



Contractual Data Acquisition: operational highlights

■ Marine

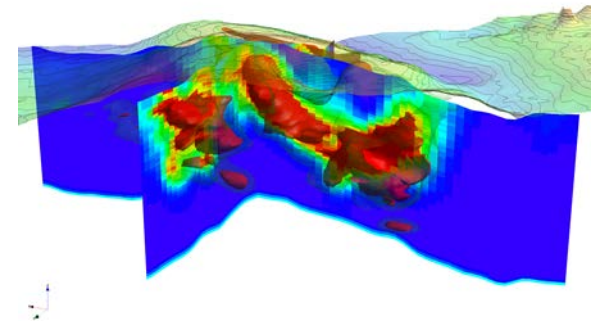
- Multi Sensor streamer survey concluded in Asia Pacific for a National Oil Company
- Caribbean returned from sea trials, seismic rigging on-going. Endeavour to be returned to her owner end of July



Onshore acquisition survey

■ Land

- Activity in North Africa, Tunisia and Algeria
- HSE achievement: managing a major earthquake in Papua New Guinea without any injury



MPH-Electromagnetic system data

■ Multi-Physics

- Improving order intake related to mining activity



Financial review

IFRS 15: transitory first time application

- The accounting standard IFRS 15 regarding revenue recognition implemented from January 1, 2018
 - Two performance obligations ('service' component; 'license' component)
 - Q1 2018: per convention, a single performance obligation as other seismic peers
- **Implications for CGG**
 - Recognition of revenues related to Multi-client projects postponed until projects are delivered to customers
 - No amortization until completion of the project
 - No impact on sales from the library of completed surveys
- **Internal reporting**
 - CGG will continue to use the previous Percentage-of-Completion-method for internal segment and management reporting (referred to as "Segment figures")
 - Provides the best picture of the performance and value creation of the Multi-Client business
- **External reporting**
 - Two sets of accounts: Segment figures and IFRS reporting
 - Main focus in external communication will be on Segment figures



Key figures : bridge Segment to IFRS

Opening Balance Sheet - January 1 st 2018	Segment figures	IFRS 15 adjustments	NRC* adjustments	IFRS figures
in million \$				
MC Data Library NBV	831	119	0	951
Other current liabilities	123	131	0	254

Q1 2018 P&L items	Segment figures	IFRS 15 adjustments	NRC* adjustments	IFRS figures
in million \$				
Total Revenue	295	(49)	0	246
OPINC	(22)	(11)	(34)	(67)

Q1 2018 Cash Flow Statement items	Segment figures	IFRS 15 adjustments	NRC* adjustments	IFRS figures
in million \$				
EBITDAs	53	(49)	(34)	(30)
Change in Working Capital & Provisions	31	49	(22)	58
Cash Flow from Operations	63	0	(56)	7

Closing Balance Sheet - March 31 st 2018	Segment figures	IFRS 15 adjustments	NRC* adjustments	IFRS figures
in million \$				
MC Data Library NBV	854	158	0	1,012
Other current liabilities	105	153	0	258



Q1 2018 P&L

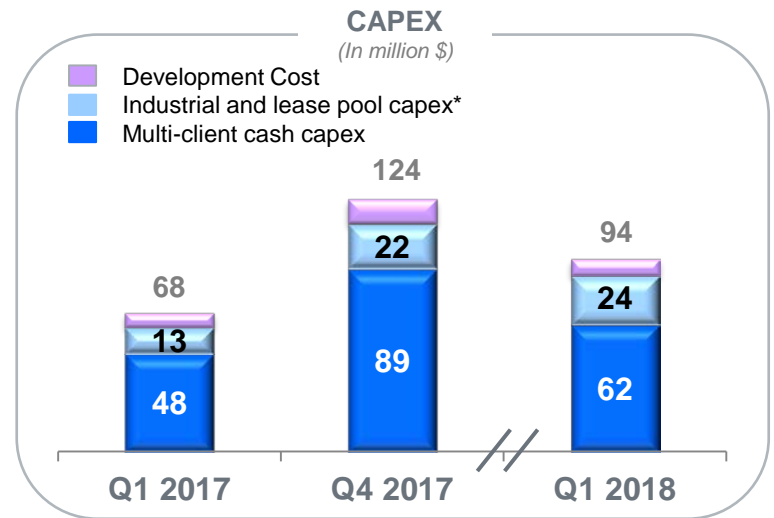
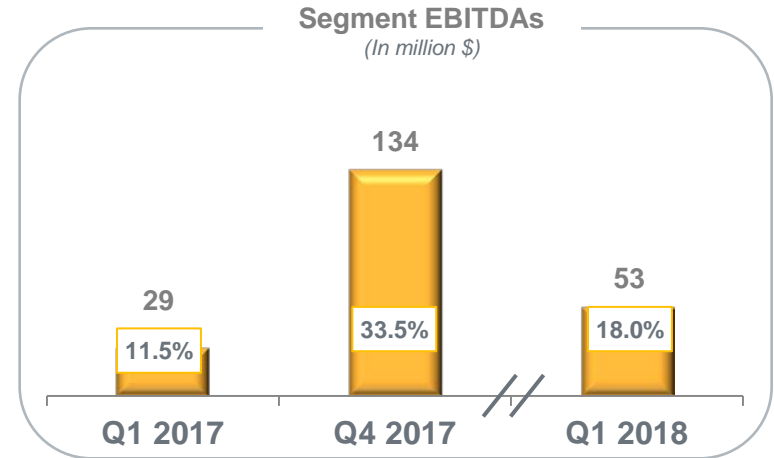
In million \$	Q1 2017	Q1 2018
Segment Revenue	249	295
Segment EBITDAs	29	53
Segment OPINC	(67)	(22)
Non-recurring charges (NRC)	(30)	(34)
IFRS 15 adjustment	<i>na</i>	(11)
IFRS OPINC	(97)	(67)
Equity from Investments	3	1
Net financial costs, current part	(48)	(30)
Non-recurring financial items (NRFI)	0	760
Taxes	(2)	(17)
Net Income	(145)	647

- Segment revenue at \$295m, up 18% y-o-y
- Segment OPINC at \$(22)m, versus \$(67)m in Q1 2017
- Net financial costs at \$(30)m, reflecting the post-restructuring debt structure
- Non-recurring financial items at \$760m, driven by a strong positive financial restructuring impact
- Net Income at \$647m



Q1 2018 Financial indicators

- Segment EBITDAs at \$53m, up 85% y-o-y
- Segment Operating Cash Flow at \$63m
- Capex at \$94m, up 37% y-o-y
 - Multi-client cash capex at \$62m up 28%, 79% prefunded
 - Industrial and R&D capex at \$32m
- Paid cost of debt at \$(14)m
- Segment Free Cash Flow at \$(40)m, versus \$(74)m last year
- \$(56)m restructuring cash costs:
 - Mainly related to \$(48)m financial restructuring fees payment, as previously announced in our FY 2017 results



* Excluding change in fixed assets payables





CGG debt structure: a fresh start

By Year-end 2017

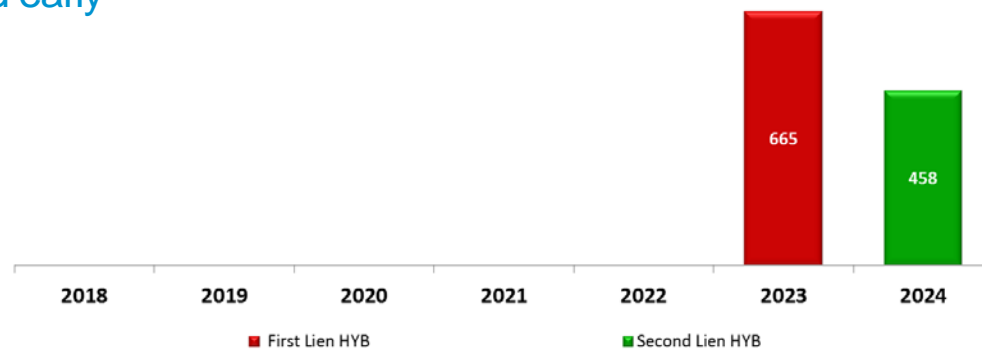
- Gross Financial Debt of c. \$3.0bn
- Liquidity at \$315m
- Net Debt of c. \$2.65bn
- First maturity in July 2018
- Financial leverage at 7.2x

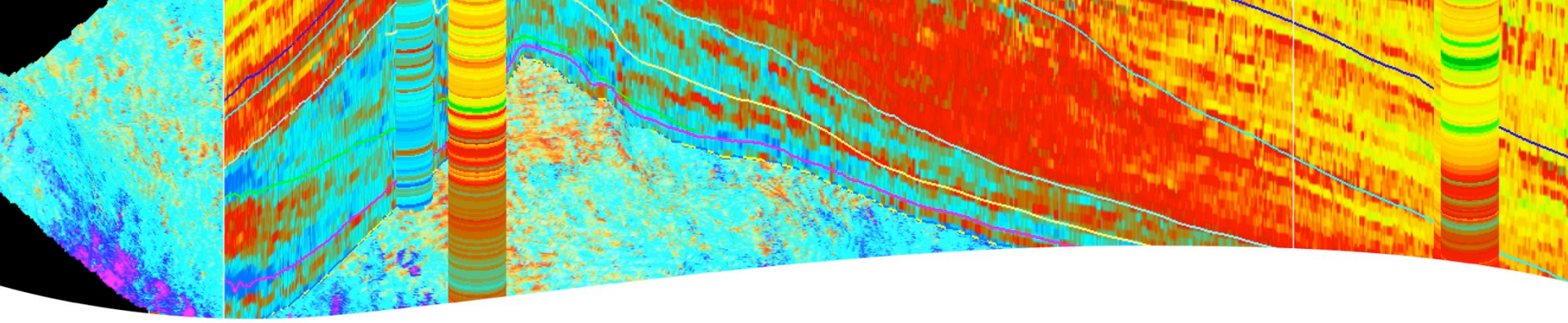


By March-end 2018

- Gross Financial Debt of c. \$1.2bn
- Liquidity at \$538m
- Net Debt of c. \$659m
- First maturity in Feb. 2023
- Financial leverage at 1.7x

- Refinancing of First Lien HYB completed early April, two tranches now outstanding:
 - \$300m with 9.00% coupon
 - €280m with 7.88% coupon
- First debt maturity now in May 2023





Conclusion

Conclusion

- Q1 performance in line with our expectations, with a strengthened segment EBITDAs margin
- Successful financial restructuring
 - Sound financial structure
 - Solid liquidity
- Gradual improvement in our markets
- Reiterated 2018 outlook



NPA satellite mapping



Stacked computers





Thank you

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Appendix

Share count post financial restructuring on February 21, 2018

	Shares (actual and potential)	<u>Number of Warrants</u>	<u>Parity</u>	<u>Maturity</u>	<u>Subscription price (€)</u>	<u>Subscription price (\$) *</u>
Initial share count	22 133 149					
Rights Issue with PSR	71 932 731					
Debtor shares 1 (OCEANES)	35 311 528					
Debtor shares 2 (Senior Notes)	449 197 594					
Subtotal on February 21, 2018	578 575 002					
Penny Warrants**	131 332 974	131 332 974	1 : 1	6 months	0.01	0.01
Subtotal post-Penny Warrants	709 907 976					
Warrants #1	29 477 536***	22 133 149	3 : 4	4 years	3.12	3.50
Subtotal post-Warrants #1	739 385 512					
Warrants #2	47 955 154	71 932 731	3 : 2	5 years	4.02	4.50
Maximum share count post-Warrants #2	787 340 666					

* €/ \$ FX rate set on June 14th, 2017 midday CET at 1.1206 (date of the agreement with key financial creditors)

** Penny warrants comprises: 113,585,276 Warrants #3; 7,099,079 Coordination Warrants and 10,648,619 Backstop Warrants.

*** The 24,996 Warrants #1 allocated to the Company in connection with the treasury shares were cancelled

695,340,409 shares outstanding as of May 4, 2018

