



4th Quarter & Full-Year 2015 Financial Results

High Q4 multi-client sales

Strong 2015 EBITDA at \$661m

Successful €350m capital increase

All results are presented before Non-Recurring Charges (NRC), unless stated otherwise

Passion for Geoscience



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. The Company assumes no obligation to update or revise any forward-looking or other statements. Actual results may vary materially.



2015 Operational Highlights

- **Operational performance**

- GGR: a solid 22% operational margin
- Contractual data Acquisition: impacted by losses in marine in extremely low pricing conditions
- Equipment: a 6% operational margin in low volumes
- Solid Group EBITDAs at \$ 661m driven by strong Q4 Multi-Client sales

- **Transformation Plan**

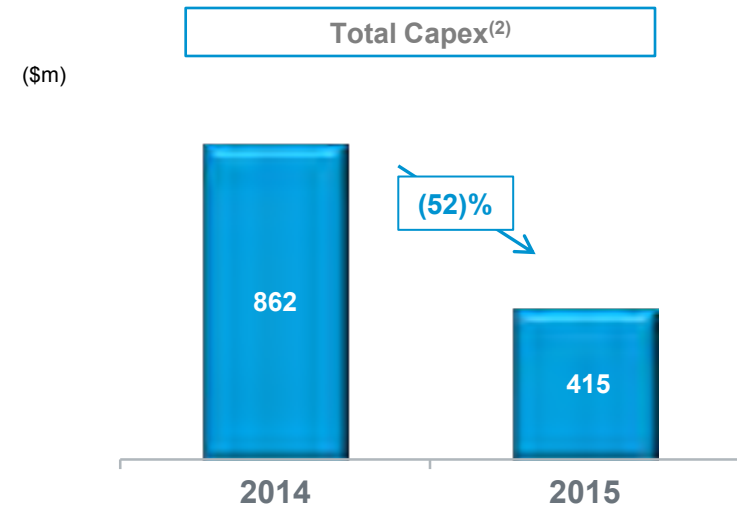
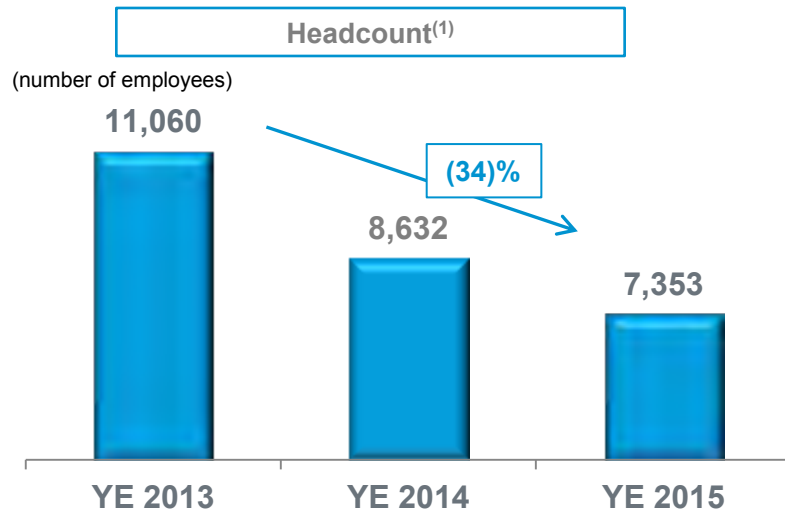
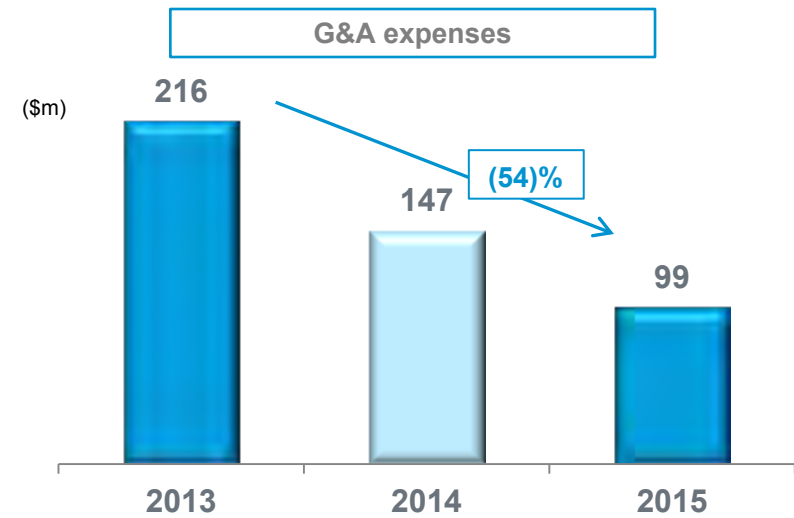
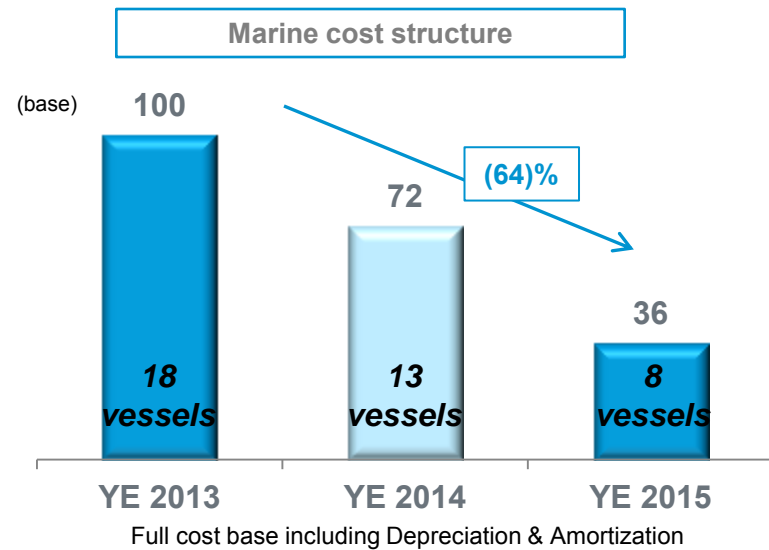
- Further market deterioration led to a new step in Transformation Plan announced in November to further downsize marine operations, reduce costs, rebalance the portfolio and focus on cash management
- Associated non-recurring charges: \$950m non-cash write-off in Q3 and \$187m restructuring charges in Q4
- Cost reductions on track, with, since 2013, (64)% in marine costs, (54)% in G&A expenses, Capex divided by two and departure of 3,700 employees

- **Debt and capital structure**

- Active cash management with liquidity at \$421m and year-end coverage ratio at 3.8x Net debt/Ebitdas
- Proactive debt management with no significant debt instalments before May 2019
- Successful €350m Capital Increase to finance the Transformation Plan



Severe cost-cutting measures implemented over two years

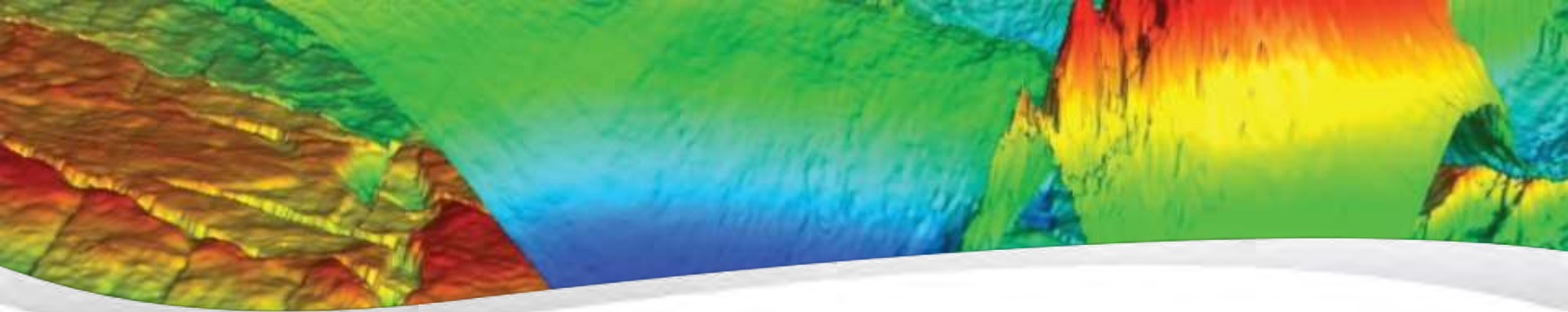


Source: Company

(1) Including Manufacturing temporaries

(2) Excluding impact of variation in fixed asset suppliers of \$(3.5)m for 2014 and \$(15.0)m for 2015



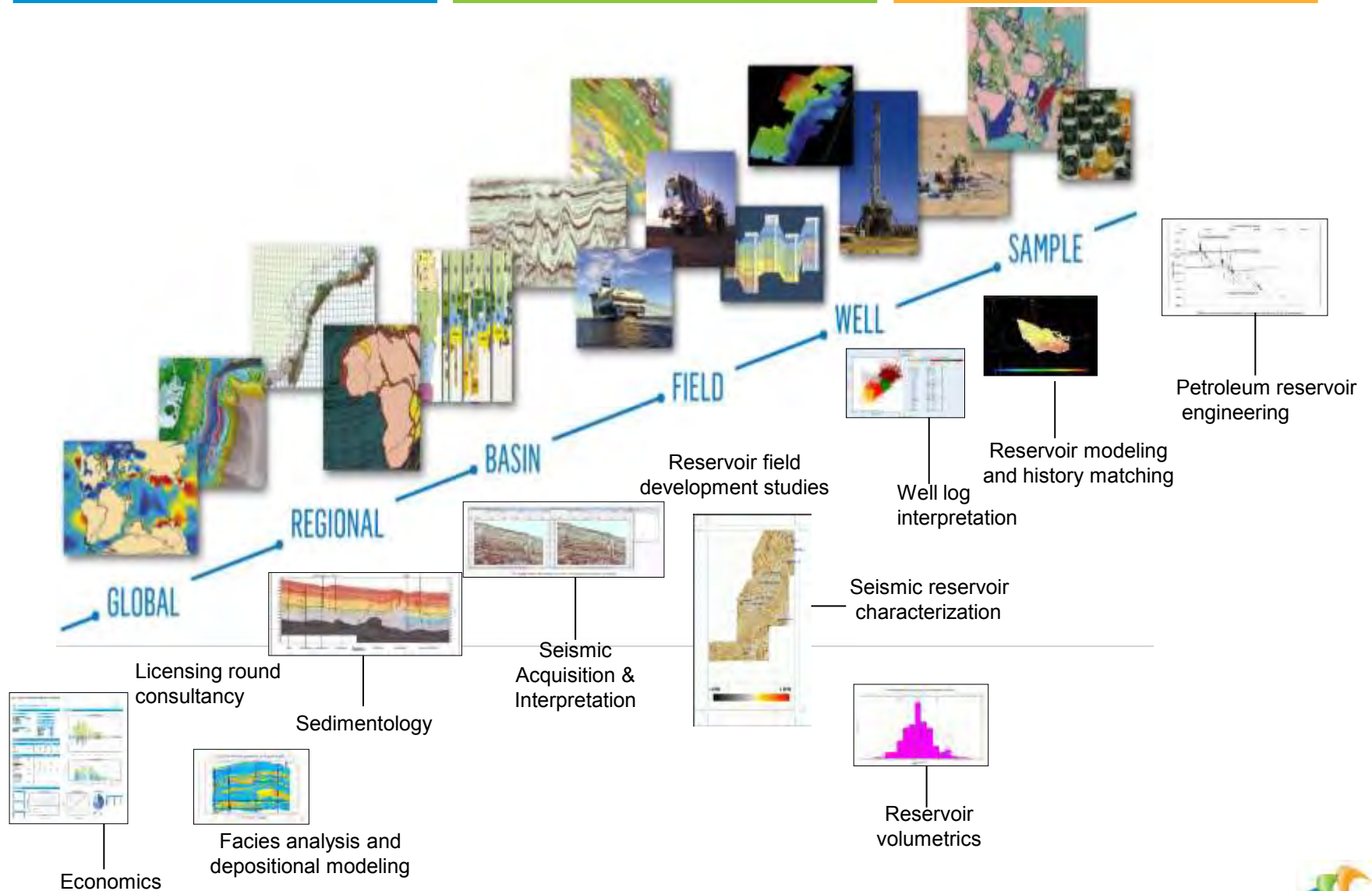


Our Businesses

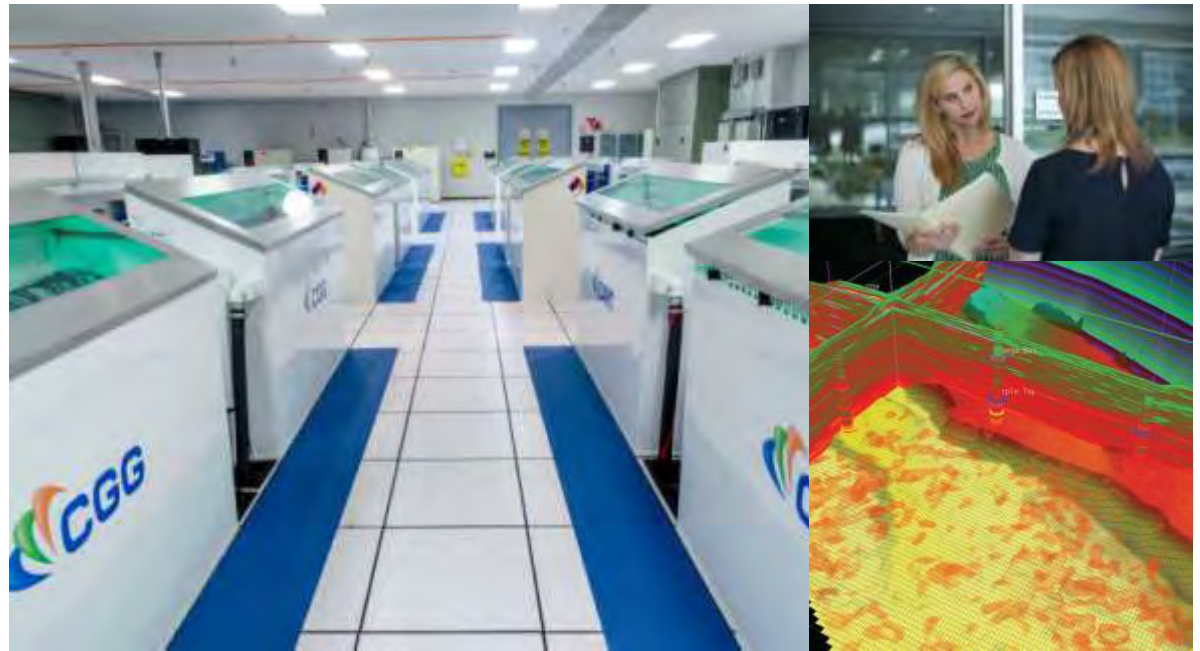
Passion for Geoscience



Geoscience Solutions at all scales

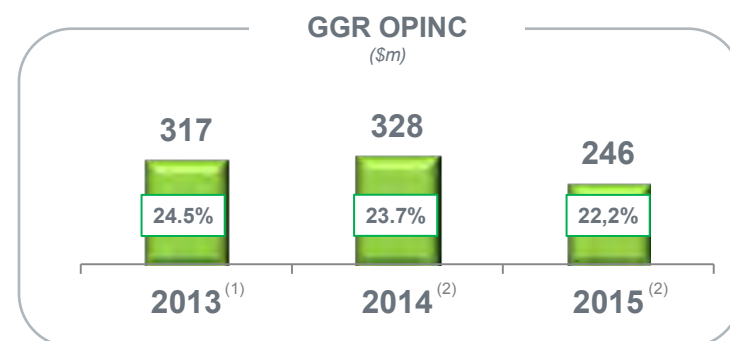
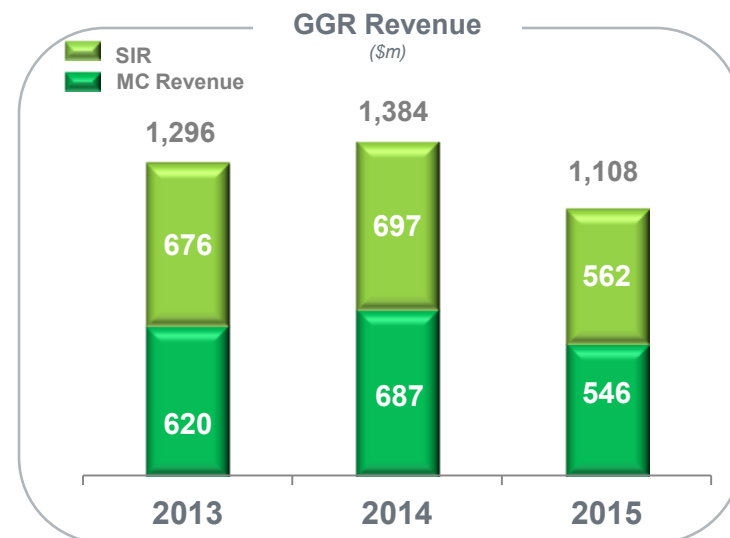


Geology, Geophysics & Reservoir



GGR 2015: Sustained profitability despite slowdown in revenue

- Total revenue at \$1,108m, down (20)% y-o-y
- Multi-Client revenue at \$546m, down (21)% y-o-y
 - With MC Cash Capex cut by half y-o-y
- Subsurface Imaging (SI) & Reservoir revenue at \$562m, down (19)% y-o-y
- EBITDAs at \$681m, a 61.5% margin
- Operating Income at \$246m, a 22.2% margin



Despite lower volumes in 2015, GGR's profitability proved to be resilient

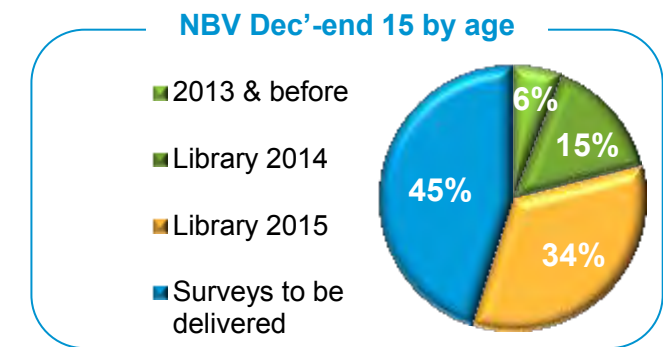
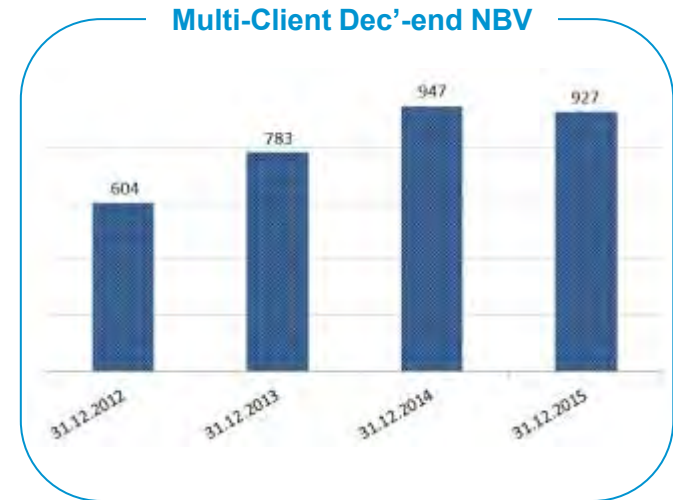


Multi-Client 2015: Active in safe harbors

- **2015 sales at \$546m, with strong Q4 at \$243m**
 - FY cash prefunding rate at 102% versus 86% in 2014
 - After-sales at \$256m, up 38%
 - Solid demand for offshore high-quality images in traditional legacy basins: GoM 25%, North Sea 25%, Brazil 20%
 - 2015 depreciation rate of 60%, including some Q4 accelerated depreciation

- **Multi-client distribution**
 - Net book value (NBV) of \$927 million, down (11)% from Q3 2015
 - NBV: 45% WIP, 49% 2014-2015, 6 % before 2014
 - 88% Marine and 12% Land

- **Multi-client fleet utilization in H1 2016**
 - 30% in Q1 and 70% in Q2 due to seasonal constraints



Strong Q4 2015 highlighting the strength of our well-positioned library



Multi-Client: World's most technically advanced data library in key locations will drive cash generation in 2016-2018

Harvest recent programs

- Once-in-decade opportunity for clients to acquire blocks in ultra deepwater GoM
- CGG's investment (StagSeis) in the past years in GoM expected to pay off
- Reprocessing of vintage libraries, including Mexico

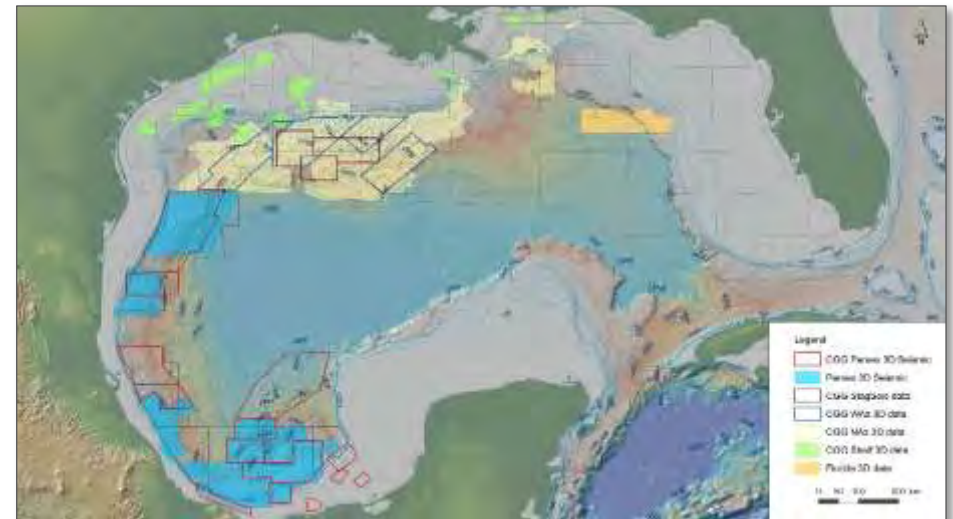
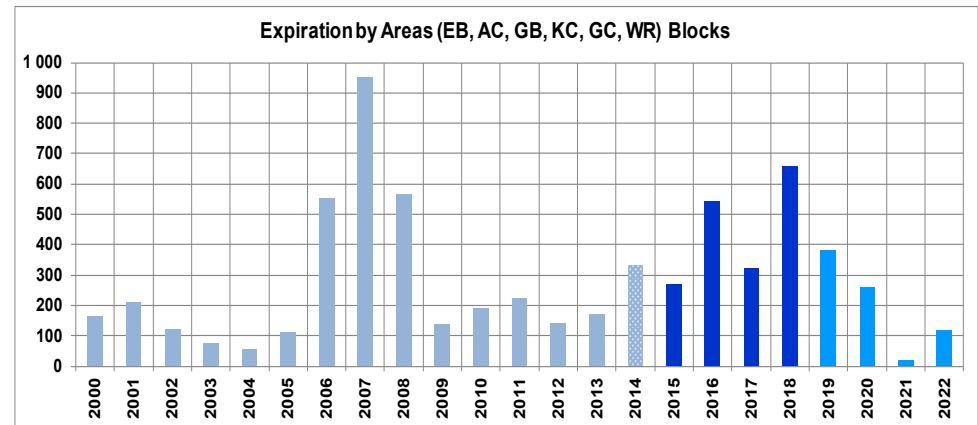
Continue to develop locations

- Large positions in Brazil and North Sea
- Scandinavia and West Africa driven by future lease sales

Leverage our geoscience expertise

- Rich, multi-disciplinary multi-client library
- Incorporating value-added elements from our reservoir knowledge

GoM lease round cycle (number of blocks)



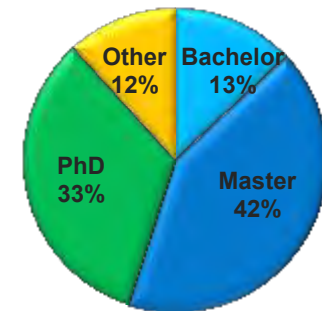
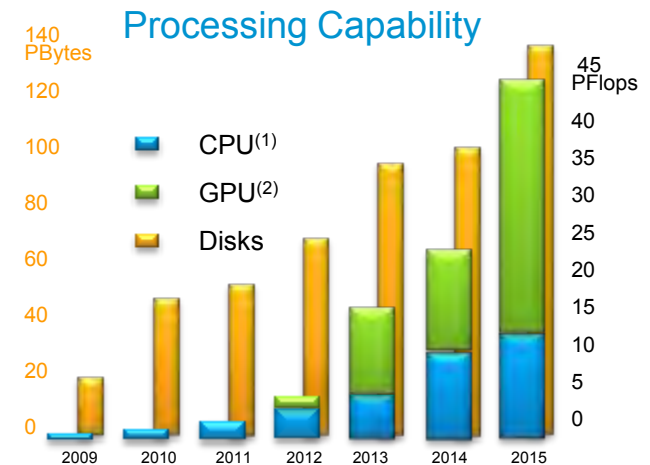
Subsurface Imaging & Reservoir (SIR): A resilient, growing and profitable business

Subsurface Imaging

- Highly skilled engineers producing new algorithms - 1,950 staff globally
- Expanding computing power to handle large data volumes - 11th in the world in terms of computing power
- 35 processing centers worldwide

Unique pool of experts and massive compute power to address wide scope of client needs:

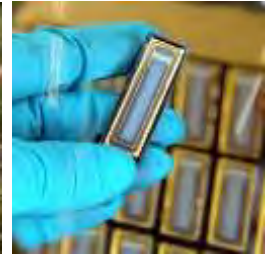
- Process high-profile and large-scale multi-client data library
- Process the most challenging client projects
- Reprocess vintage data sets to benefit from latest algorithms and technologies
- Resilient activity in North America



High-quality subsurface imaging is of key importance for clients as seismic data and reservoir information are critical assets



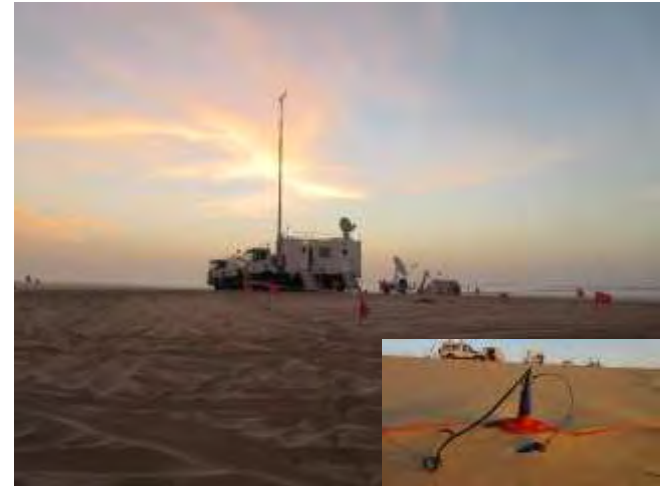
Equipment



Equipment: A leadership position in an unprecedentedly difficult seismic equipment market

Marine: a leadership position in a tough market impacted by vessel withdrawal

- Demand for new streamers sustained by oceanography and hydrography
- Activity also sustained by replacement and repair of damaged streamers already in operation



Land: a sustained leadership position, gaining market share in a difficult market environment

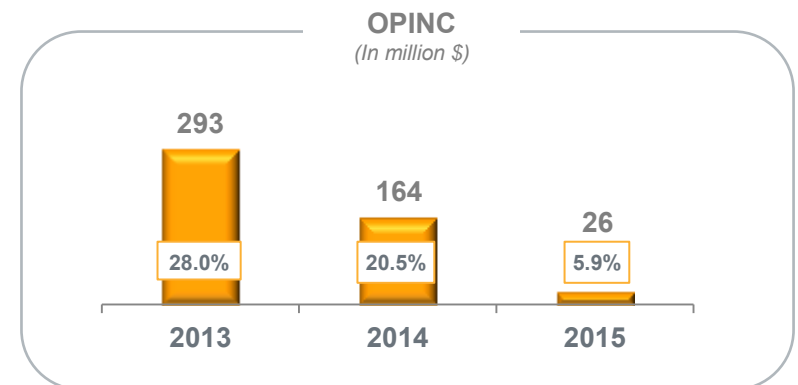
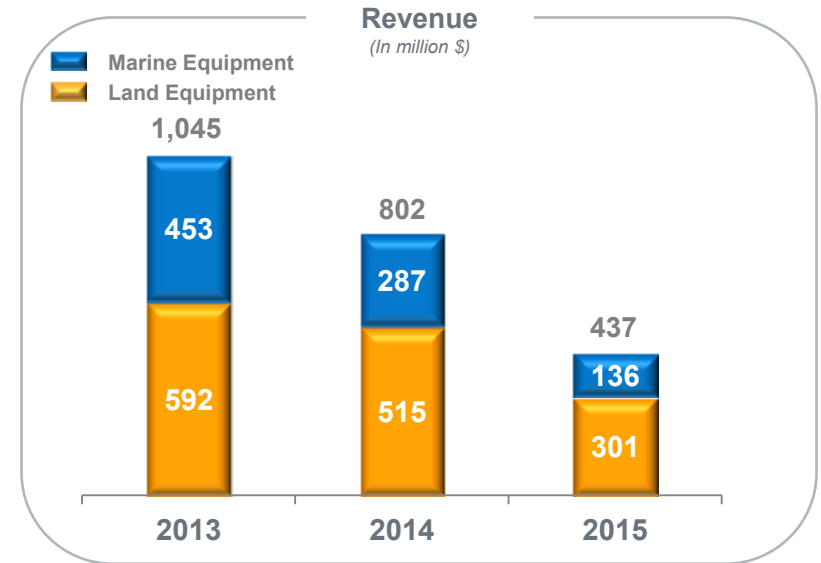
- Leading technological edge through the new 508^{XT} land acquisition system
- Over 3.5 million land sensors installed all over the globe, with a presence in markets with high upside potential (China, Russia, Middle East)

Sercel's market share⁽¹⁾ increased from 63% to 71% during the difficult 2013-2015 period



Historically good profitability impacted by lower volumes in the last two years

- 2015 sales at \$437m
 - 69% Land and 31% Marine
 - Low volumes impacted by weak land and marine sales
 - Marine sales levels only sustained by repair, oceanography and hydrography
- 2015 EBITDAs at \$68m with 16% margin
- 2015 OPINC margin at 6%



Breakeven point reduced below \$400m at the end of 2015



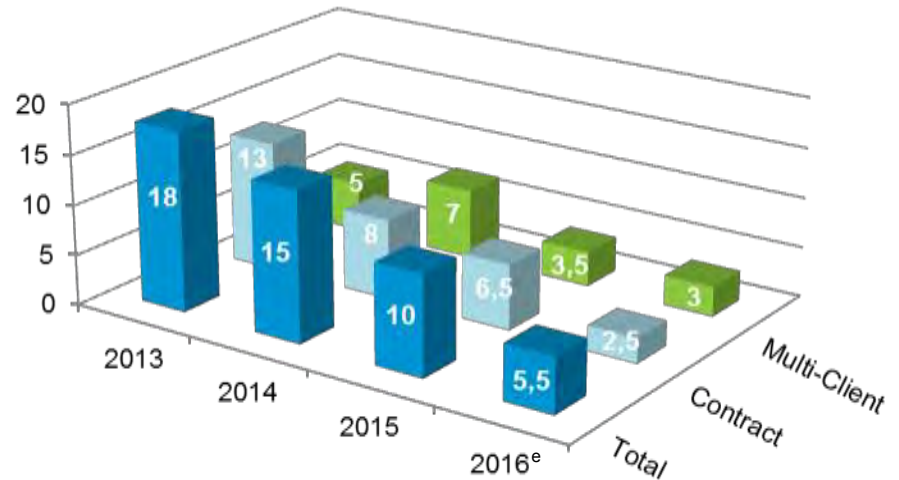
Contractual Data Acquisition



Marine: A significant fleet downsizing

- **Pre-exploration and new frontier exploration currently halted**
 - Reduced demand for deep and ultra deep water programs
- **Significant industry marine overcapacity**
 - Recent industry vessels stacked and ready to resume service at limited cost
- **Decision to reduce CGG Marine fleet to 5 vessels**
 - 8 vessels operated at end-2015
 - 6 3D vessels currently cold-stacked, 3 more to go by Q1 2016
- **FY 2015 vessel availability rate at 83% & FY vessel production rate at 92%**

CGG Average Fleet Trend

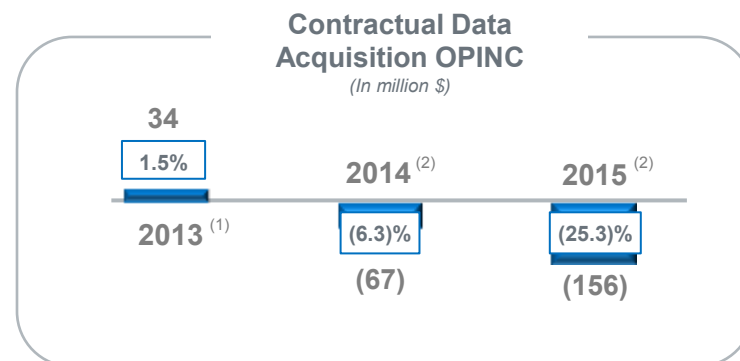
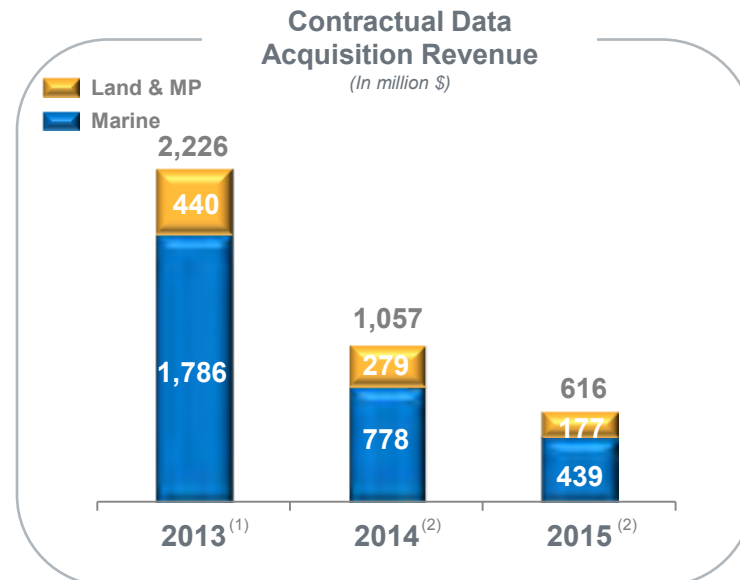


5 vessels under chart agreement to be operated
Owned vessels to gradually replace them at the end of the lease
A maximum of 2 vessel-years dedicated to contractual operations



Contractual Data Acquisition 2015: Difficult market conditions

- Total revenue at \$616m
 - Marine revenue at \$439m
 - Land & Multi-Physics total revenue at \$177m
- EBITDAs at \$(24)m, a significant y-o-y reduction in profitability
- Operating Income at \$(156)m
 - Land & Multi-Physics back to profitability
 - Marine pricing conditions at historical low level, especially in H2

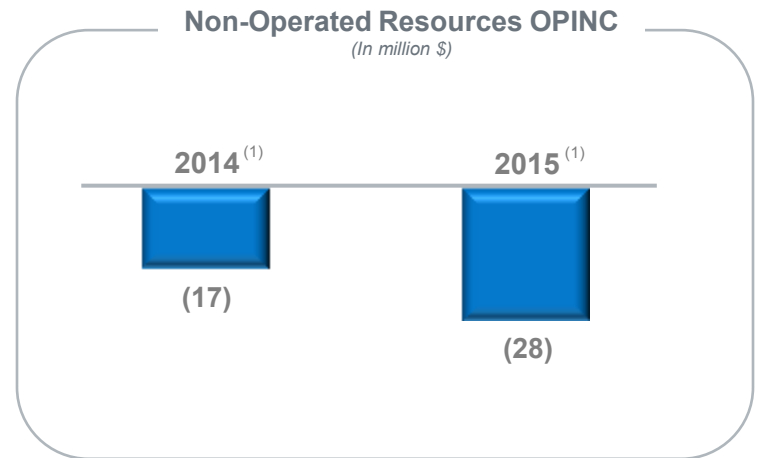


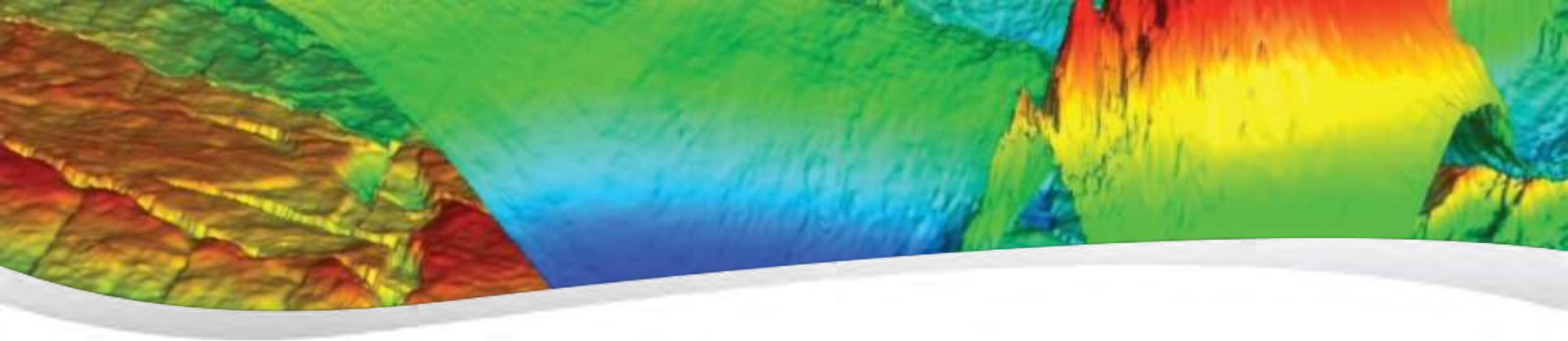
Gradual downsizing of the CGG fleet to drastically improve cash generation



Non-Operated Resources (N.O.R)

- **Scope**
 - Cold-stacked vessels
 - Excess streamers
 - Maintenance costs
 - Restructuring current costs and liabilities
- **Operating Income at \$(28)m in 2015**
 - Amortization of cold-stacked hulls
 - Amortization of excess streamers





Financial Structure

Passion for Geoscience



2015 Q4 and Full-Year P&L

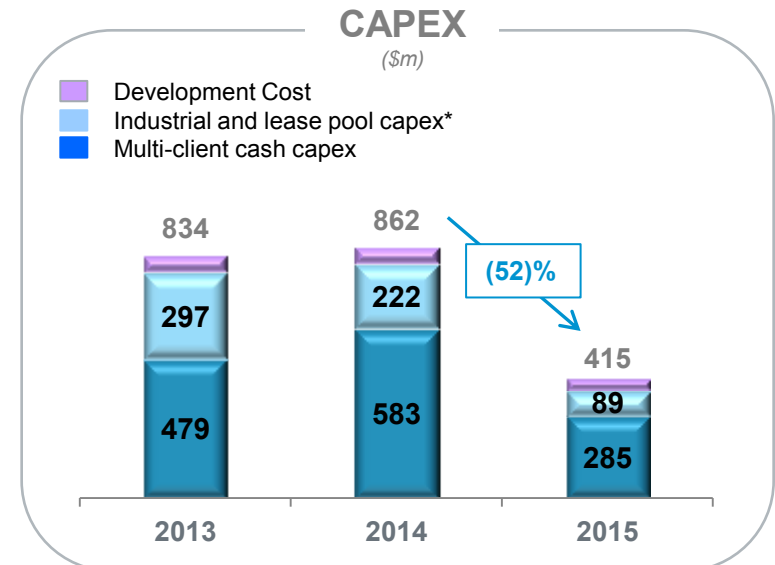
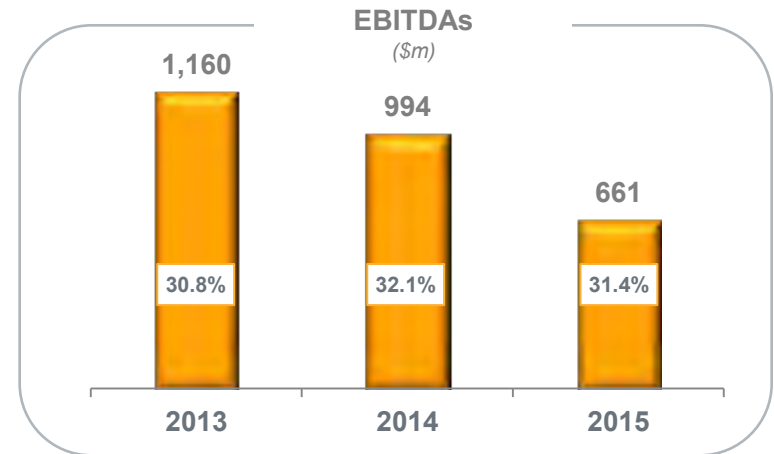
| In Million \$ | Q4 2015 | FY 2015 |
|--------------------------------|--------------|----------------|
| Total Revenue | 589 | 2,101 |
| Group OPINC | 21 | 19 |
| Equity from Investments | (6) | 21 |
| Non-recurring Charges | (187) | (1,177) |
| Cost of Debt | (45) | (179) |
| Other Financial Items | (45) | (54) |
| Taxes | 5 | (77) |
| Net Income | (256) | (1,446) |

- Q4 additional Non-Recurring Charges of \$(187)m mainly linked to the new step in our Transformation Plan
- 2015 Non-Recurring Charges of \$(1,177)m
 - \$(804)m goodwill impairment
 - \$(208)m of other restructuring costs, mainly related to redundancies
 - \$(165)m of asset impairments, mainly vessel-related
- Net Income Q4 2015 at \$(256)m and Full Year 2015 at \$(1,446)m



2015: Efficient cash management throughout the year

- EBITDAs at \$661m
 - 31.4% margin reached in a difficult environment
- Operating Cash Flow at \$529m
- Capex at \$415m, sharply reduced
 - 2015 Multi-Client cash Capex at \$285m, 102% prefunded
- Free Cash Flow at \$(9)m versus \$(76)m last year
 - \$(130)m including the non-recurring payments related to the ongoing Transformation Plan

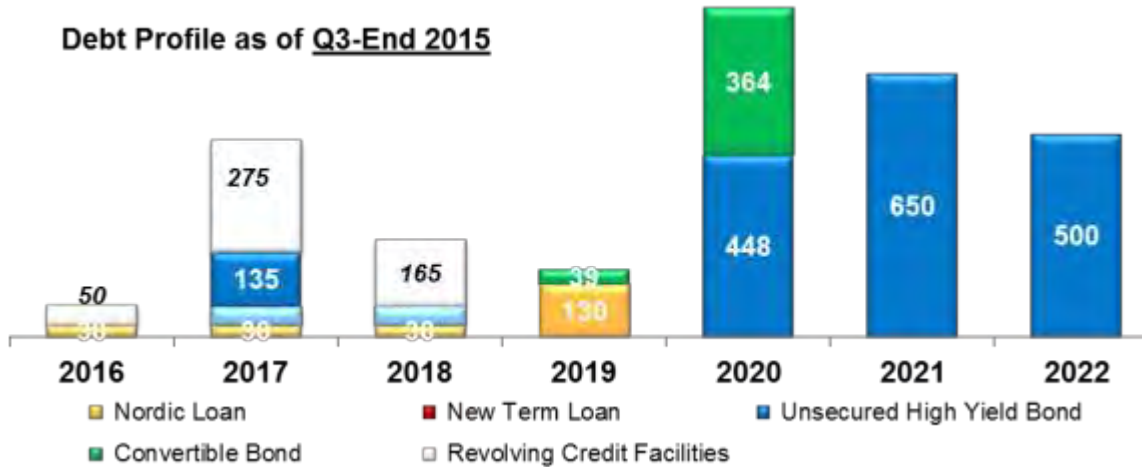


* Excluding change in fixed assets payables

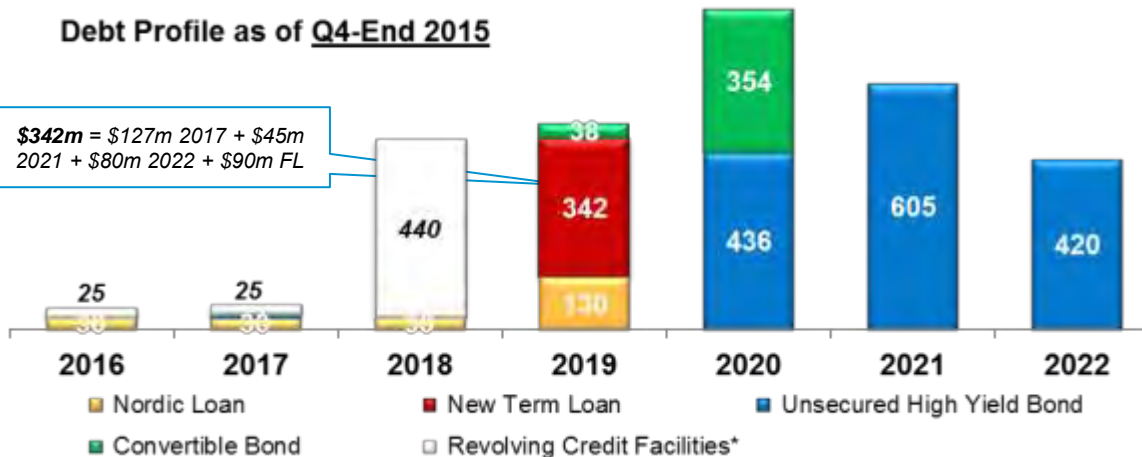


Managing the debt profile: Successful refinancing plan with main 2017 instalments postponed to 2019

Debt Profile as of Q3-End 2015



Debt Profile as of Q4-End 2015



- Group Net Debt at
 - \$2,500m as of Dec 2015 from \$2,538m as of Sept 2015
- Q4 'paper to paper' refinancing with the issue of a **2019 Term Loan**
 - In exchange of (i) 94% of the 2017 HYB and (ii) 100% of the Fugro Loan (FL)
 - New Loan secured (pari passu the RCF), Libor+ 5.5% interest-weighted, and maturing May 2019
- Average Maturity excluding RCF at 4.5 years as of year-end 2015



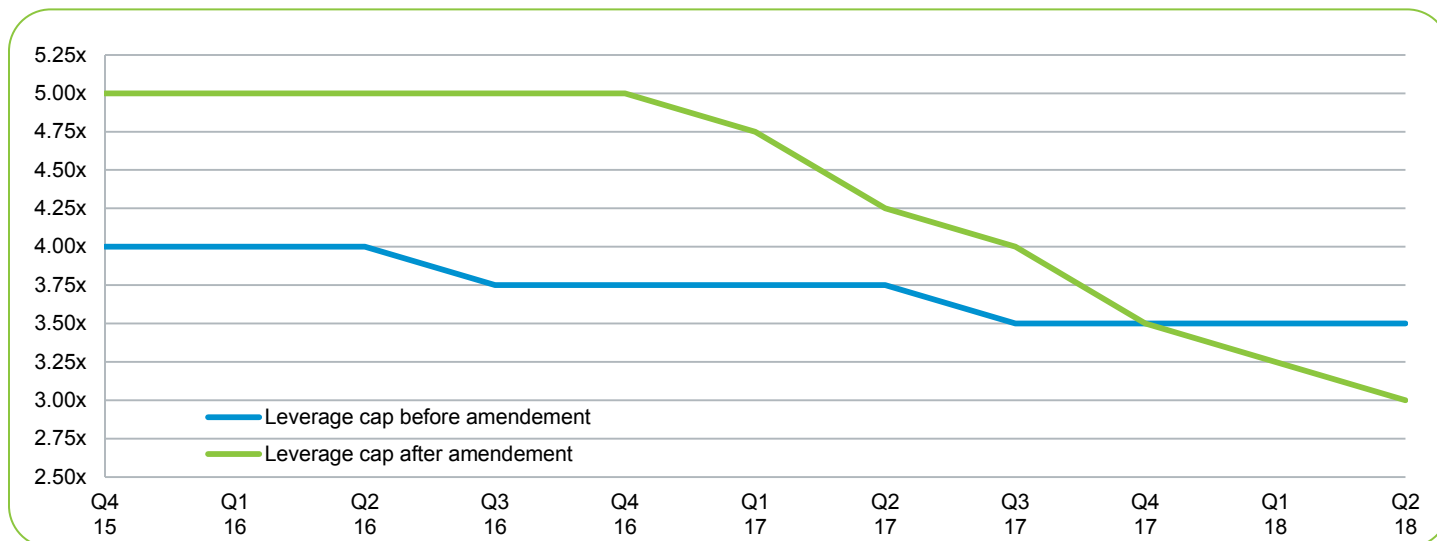
Managing the liquidity and the leverage: The new RCF financial covenant sequence

Group Liquidity

- Gross liquidity of \$421m in December 2015 versus \$440m in September 2015
- New covenant : \$175m minimum liquidity

Group Leverage

- Leverage ratio at 3.8x at December-end
- New covenant sequence: High headroom in 2016
 - Transformation cost to be cashed out mostly in Q2-Q3 2016
- Significant deleverage targeted in 2017- mid 2018



A €350m equity increase to finance the transformation of CGG

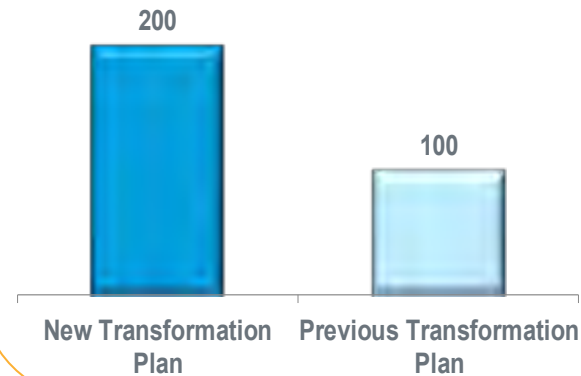
Cost of the November 2015 Transformation Plan

- \$950m non-cash write-off in Q3 2015
- \$187m restructuring costs in Q4 2015

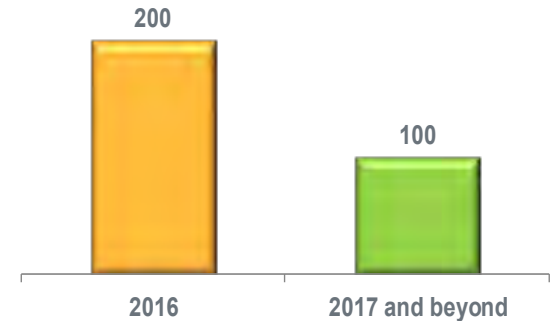


New & Previous Transformation Plan: c.\$300m of forward cash costs

Origin of forward cash costs



Timing of forward cash out

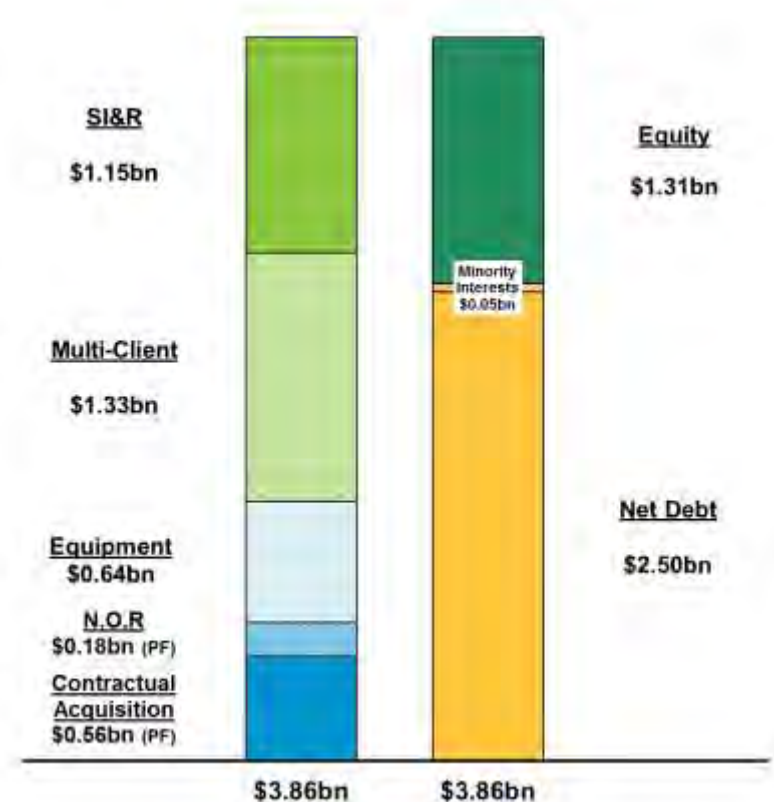


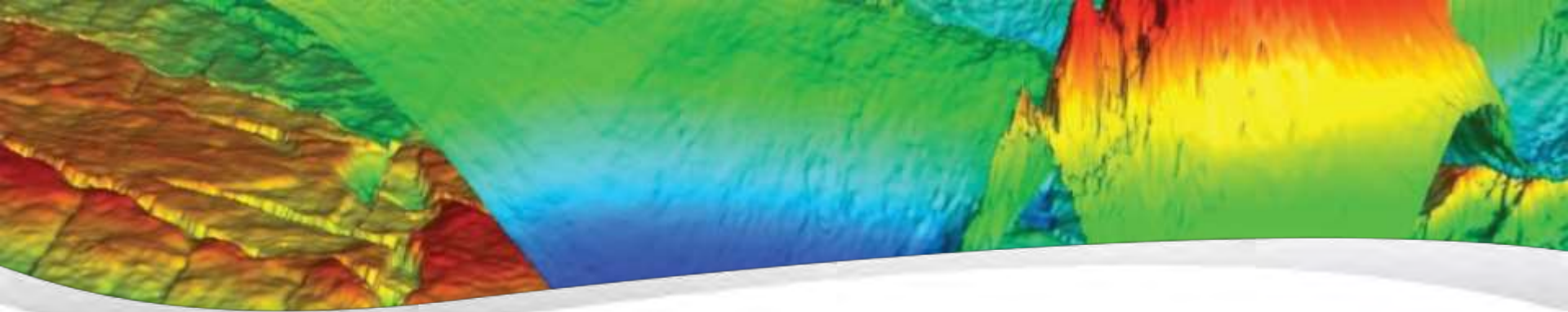
Net debt targeted below \$2.4bn by end 2016



Portfolio of high-value assets

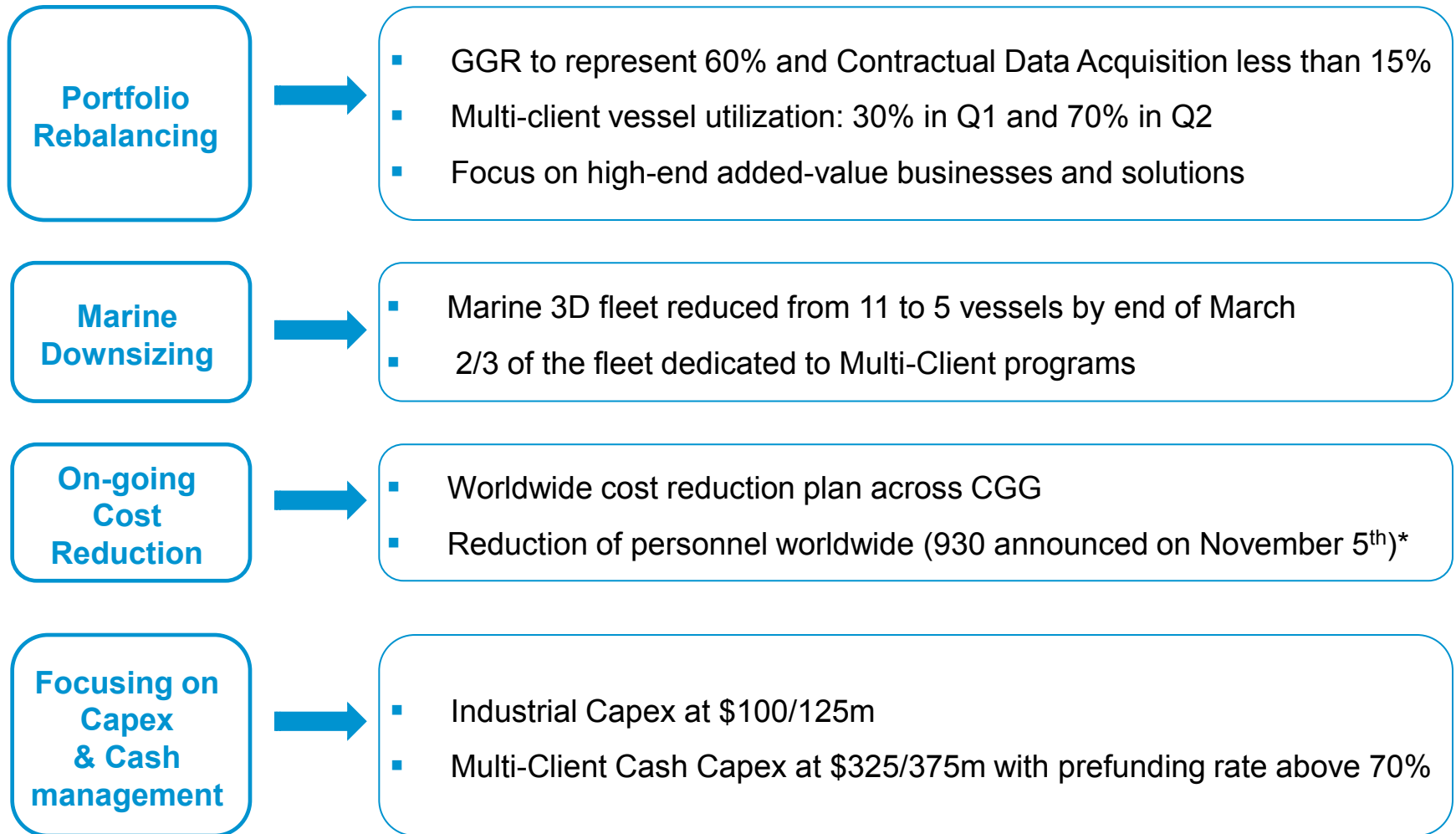
- **\$3.86bn Capital Employed by year end 2015**
 - Net debt at \$2.5bn / Minority Interests at \$0.05bn
 - Equity at \$1.3bn post Impairment and write-offs
- **\$0.7bn Capital Employed for Contractual Data Acquisition**
 - \$0.56bn on a pro forma basis (6 vessels cold-stacked)
 - More than half of the pro forma Capital Employed are related to Investees (ARGAS, SBGS, etc.)
- **\$0.1bn Capital Employed for N.O.R**
 - \$0.18bn on a pro forma basis (6 vessels cold-stacked)
 - Assets: cold-stacked hulls and excess streamers
 - Restructuring liabilities
- **\$0.6bn Capital Employed for Equipment**
 - 50% of Inventories
- **\$2.5bn Capital Employed for GGR, post Marine Capital Employed transfer and Impairment**
 - \$1.3bn Capital Employed for Multi-Client (including \$0.93bn for the sole Library)
 - \$1.2bn Capital Employed for Subsurface Imaging and Reservoir businesses (SIR)





Conclusion

Our Transformation Plan in 2016



A dynamic transformation focused on less capital-intensive businesses to weather the downturn

- **A rebalanced portfolio to manage the cycle with the right format**
 - Overhead structure reduced by 55% and breakeven lowered in all businesses
 - R&D kept at high levels to maintain clear technology leadership positions in all businesses
- **A significant financial restructuring to weather the current headwinds**
 - No material debt instalment to repay before May 2019
 - Successful capital increase
 - Year-end 2016 Net debt targeted below \$2.4bn
- **A refocused CGG to fit with new E&P industry requirements by offering Geoscience solutions at all scales**
 - A fast, lean, flexible and customer focused Group
 - Focused on our high added-value businesses and on what we can control
 - Less capital-intensive businesses to drive limited need for new industrial capex
 - In position to protect our future and fully capture market recovery

