

CGG
Form 6-K
July 31, 2015

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

For the month of July 2015

CGG

Tour Maine Montparnasse - 33 Avenue du Maine BP 191 - 75755 PARIS CEDEX 15 (address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

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Yes No

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2015 Second Quarter Results

Active Cash and Cost Management

in Challenging Market Environment

Q2 Revenue at \$473m down (17)% q-o-q

in challenging market conditions

Data Acquisition down to \$223m due to weak pricing conditions in Marine and low fleet availability rate

Equipment down to \$107m due to reduced volumes

GGR up at \$257m, driven by sustained SIR activity and solid Multi-Client sales at \$120m up, 21% q-o-q, with a high 106% prefunding rate

Operational performance backed by the

efficient rollout of our Transformation Plan

Cost reduction plan on track

Fleet production rate at historic high level of 94%

Group Operating Income¹ at \$(25)m and **EBIT**¹ at \$(9)m

Data Acquisition: negative marine margin but positive contribution from the other businesses

Equipment: positive performance with a 6% margin

GGR: solid and resilient operational margin at 21%

Strong Cash management and Capex discipline

Extended Debt Profile

EBITDAs¹ at \$112m and **Cash Capex** at \$115m, down 55% y-o-y

Q2 15 **Free Cash Flow** at \$(64)m and H1 15 **FCF** at \$(83)m versus \$(204)m in H1 last year

End-of-June **Net Debt/EBITDA** ratio at **2.9x**. **Covenant** cap raised to **4.0x** until mid-2016

Successful **2019 convertible bonds Public Exchange Offer**, pushing back the next main debt installment to **2020**

Additional \$50m cut in full-year 2015 total **Capex**

¹ Figures before Non-Recurring Charges related to the Transformation Plan

PARIS, France July 31st 2015 CGG (ISIN: 0000120164 NYSE: CGG), **world leader in Geoscience**, announced today its non-audited 2015 second quarter results.

Commenting on these results, Jean-Georges Malcor, CGG CEO, said:

We operated this quarter in a very challenging business environment. Equipment and Data Acquisition revenue were down, notably due to strong pressure on marine pricing. However, GGR is up sequentially, due to strong Multi-Client sales and a high prefunding rate.

The efficient rollout of our Transformation and cost reduction Plan is on schedule. All our activities except for marine Data Acquisition made positive contributions to our operating result this quarter.

While the market remains uncertain, we stay focused on tight cash management with further reductions in our annual Capex spending. The success of our 2019 convertible bond Public Exchange Offer and the renegotiation of our covenants improved our financial flexibility and also helped to strengthen our balance sheet.

With our operating performance, the mobilization of our teams around the world, the first positive results of our Transformation Plan and the rebalancing of our portfolio of activities, we have improved our ability to weather the current difficult market conditions the industry is facing.

Second Quarter 2015 Key Figures

Before Non-Recurring Charges (NRC)

| In million \$ | Second Quarter | First Quarter | Second Quarter |
|--|----------------|---------------|----------------|
| | 2014* | 2015* | 2015* |
| Group Revenue | 689 | 570 | 473 |
| Equipment | 196 | 125 | 107 |
| Data Acquisition | 481 | 296 | 223 |
| Geology, Geophysics & Reservoir (GGR) | 300 | 239 | 257 |
| Eliminations | (288) | (90) | (114) |
| EBITDAS | 194 | 145 | 112 |
| Operating Income | 45 | 18 | (25) |
| Equipment | 39 | 14 | 7 |
| Data Acquisition | 19 | (19) | (55) |
| GGR | 63 | 49 | 53 |
| <i>Equipment operational margin</i> | <i>19.6%</i> | <i>11.4%</i> | <i>6.3%</i> |
| <i>Data Acquisition operational margin</i> | <i>3.8%</i> | <i>(6.4)%</i> | <i>(24.6)%</i> |
| <i>GGR operational margin</i> | <i>20.9%</i> | <i>20.3%</i> | <i>20.7%</i> |
| EBIT | 31 | 19 | (9) |
| <i>EBIT margin</i> | <i>4.5%</i> | <i>3.3%</i> | <i>(1.9)%</i> |
| Net Financial Costs | (52) | (47) | (46) |
| Thereof Cash Component | (39) | (26) | (49) |
| Free Cash Flow | (53) | (20) | (64) |

Second Quarter 2015 Key Figures

After Non-Recurring Charges (NRC)

| In million \$ | Second Quarter | First Quarter | Second Quarter |
|--|----------------|---------------|----------------|
| | 2014* | 2015* | 2015* |
| EBITDAS | 98 | 128 | 106 |
| Operating Income | (186) | 1 | (30) |
| EBIT | (199) | 2 | (14) |
| Net Financial Costs | (109) | (47) | (46) |
| Total Income Taxes | (16) | (9) | (0.5) |
| Including Deferred Tax on Currency Translation | (3) | (2) | 0.5 |
| Net Income | (325) | (55) | (61) |
| <i>Non-recurring charges (NRC)</i> | <i>(230)</i> | <i>(18)</i> | <i>(5)</i> |
| Cash Flow from Operations | 263 | 91 | 80 |
| Free Cash Flow | (58) | (45) | (85) |
| Net Debt | 2,575 | 2,386 | 2,497 |
| Capital Employed | 6,070 | 5,137 | 5,185 |

First Half 2015 Key Figures*Before Non-Recurring Charges (NRC)*

| In million \$ | First Half 2014 | First Half 2015 |
|--|----------------------------|----------------------------|
| Group Revenue | 1,495 | 1,042 |
| Equipment | 403 | 232 |
| Data Acquisition | 1,040 | 519 |
| Geology, Geophysics & Reservoir (GGR) | 590 | 496 |
| Eliminations | (538) | (205) |
| Group EBITDAS | 383 | 257 |
| Operating Income | 80 | (6) |
| Equipment | 80 | 21 |
| Data Acquisition | 20 | (74) |
| GGR | 127 | 102 |
| <i>Equipment operational margin</i> | <i>19.8%</i> | <i>9.0%</i> |
| <i>Data Acquisition operational margin</i> | <i>1.9%</i> | <i>(14.2)%</i> |
| <i>GGR operational margin</i> | <i>21.5%</i> | <i>20.5%</i> |
| Group EBIT | 51 | 10 |
| Group EBIT margin | 3.4% | 1.0% |
| Net Financial Costs | (97) | (93) |
| Thereof Cash Component | (51) | (76) |
| Free Cash Flow | (204) | (83) |

First Half 2015 Key Figures*After Non-Recurring Charges (NRC)*

| In million \$ | First Half 2014 | First Half 2015 |
|--|----------------------------|----------------------------|
| Group EBITDAS | 286 | 234 |
| Operating Income | (151) | (29) |
| Group EBIT | (181) | (13) |
| Net Financial Costs | (154) | (93) |
| Total Income Taxes | (28) | (10) |
| Including Deferred Tax on Currency Translation | (4) | (1) |
| Net Income | (364) | (115) |
| <i>Non-recurring charges</i> | <i>(232)</i> | <i>(23)</i> |
| Cash Flow from Operations | 381 | 171 |
| Free Cash Flow | (210) | (130) |
| Net Debt | 2,575 | 2,497 |
| Capital Employed | 6,070 | 5,185 |

Second Quarter 2015 Financial Results by Division and before non-recurring charges
Equipment

| Equipment | Second Quarter 2014 | First Quarter 2015 | Second Quarter 2015 | Variation Year-on- year | Variation Quarter- to- quarter |
|---|------------------------------------|-----------------------------------|------------------------------------|--|---|
| In million \$ | | | | | |
| Equipment Total Revenue | 196 | 125 | 107 | (46)% | (15)% |
| <i>External Revenue</i> | <i>148</i> | <i>114</i> | <i>97</i> | <i>(35)%</i> | <i>(15)%</i> |
| EBITDAs | 50 | 25 | 17 | (66)% | (31)% |
| <i>Margin</i> | <i>25.5%</i> | <i>19.8%</i> | <i>15.9%</i> | <i>(960)bps</i> | <i>(390)bps</i> |
| Operating Income | 39 | 14 | 7 | (83)% | (53)% |
| <i>Margin</i> | <i>19.6%</i> | <i>11.4%</i> | <i>6.3%</i> | <i>(1330)bps</i> | <i>(510)bps</i> |
| EBIT | 39 | 14 | 7 | (83)% | (53)% |
| Capital Employed (in billion \$) | 0.8 | 0.75 | 0.7 | NA | NA |

Equipment division Total Revenue was \$107 million, down 46% compared to the second quarter of 2014 and 15% sequentially. Marine equipment sales are impacted by a low level of deliveries linked to a difficult marine market. Land sales benefited from partial deliveries to our Middle East clients.

During the second quarter, marine equipment sales represented 24% of total sales, compared to 43% in the first quarter of 2015. Internal sales represent only 9% of total sales, stable sequentially at a low level. External sales were \$97 million, down 15% compared to the first quarter of 2015.

Equipment division EBITDAs was \$17 million, a margin of 15.9%.

Equipment division Operating Income was \$7 million, a margin of 6.3% thanks to strong and continuing cost reduction measures.

Equipment division Capital Employed was \$0.7 billion at the end of June 2015.

Data Acquisition

Data Acquisition

| In million \$ | Second Quarter 2014 | First Quarter 2015 | Second Quarter 2015 | Variation Year-on- year | Variation Quarter- to- quarter |
|---|---------------------------|--------------------------|---------------------------|-------------------------------|---|
| Data Acquisition Total Revenue | 481 | 296 | 223 | (54)% | (24)% |
| <i>External Revenue</i> | 241 | 217 | 119 | (51)% | (45)% |
| <i>Total Marine Acquisition</i> | 407 | 249 | 179 | (56)% | (28)% |
| <i>Total Land and Multi-Physics Acquisition</i> | 74 | 47 | 44 | (40)% | (6)% |
| EBITDAs | 95 | 44 | 6 | (94)% | (86)% |
| <i>Margin</i> | 19.7% | 14.8% | 2.7% | (1700)bps | (1210)bps |
| Operating Income | 19 | (19) | (55) | (397)% | (191)% |
| <i>Margin</i> | 3.8% | (6.4)% | (24.6)% | (2840)bps | (1820)bps |
| EBIT | 6 | (18) | (40) | (739)% | (119)% |
| <i>Margin</i> | 1.3% | (6.1)% | (17.7)% | (1900)bps | (1160)bps |
| Capital Employed (in billion \$) | 2.4 | 1.5 | 1.5 | NA | NA |

Data Acquisition division Total Revenue was \$223 million, down 54% year-on-year and 24% sequentially. External revenue was \$119 million, down 51% year-on-year and 45% quarter-on-quarter.

Marine Acquisition revenue was \$179 million, down 56% year-on-year and 28% sequentially. Two thirds of the sequential decrease in revenue can be explained by the deteriorated market conditions and one third by a low availability rate this quarter. 42% of the fleet was dedicated to multi-client programs compared to 52% in Q2 2014 and 35% in Q1 2015. The vessel availability rate was 74%. This compares to an 84% availability rate in the first quarter of 2015 and a 94% rate in the second quarter of 2014. This low vessel availability rate is the result of a 10% steaming rate to relocate vessels this quarter from APAC to NALA to execute large tenders won recently, a 13% fleet standby rate mainly due to delays in permitting in Latin America, and a 3% yard time rate. Our vessel production rate was at a historic high of 94% compared to a 92% production rate both last year and in the first quarter of 2015.

Land and Multi-Physics Acquisition revenue was \$44 million, down 40% year-on-year and 6% sequentially. The restructuring measures implemented in 2014 and 2015 led to a good financial performance by our Land activity.

Data Acquisition Division EBITDAs was \$6 million, a margin of 2.7%.

Data Acquisition Division Operating Income was \$(55) million.

Data Acquisition Division EBIT was \$(40) million. Positive contribution from Investments in Equity can be mainly explained by the positive contributions from the Seabed Geosolutions and Argas JVs.

Data Acquisition EBIT after NRC includes \$(0.6) million of non-recurring items linked to the Transformation Plan.

Data Acquisition division Capital Employed was \$1.5 billion at the end of June 2015.

Geology, Geophysics & Reservoir (GGR)**GGR**

| In million \$ | Second Quarter 2014 | First Quarter 2015 | Second Quarter 2015 | Variation Year-on- year | Variation Quarter- to- quarter |
|---|---------------------------|--------------------------|---------------------------|-------------------------------|---|
| GGR Total Revenue | 300 | 239 | 257 | (14)% | 8% |
| Multi-client | 128 | 99 | 120 | (6)% | 21% |
| <i>Prefunding</i> | 92 | 42 | 83 | (10)% | 100% |
| Subsurface Imaging & Reservoir | 172 | 140 | 137 | (20)% | (2)% |
| EBITDAs | 159 | 122 | 138 | (13)% | 13% |
| <i>Margin</i> | 53.0% | 50.9% | 53.6% | 60bps | 270bps |
| Operating Income | 63 | 49 | 53 | (15)% | 9% |
| <i>Margin</i> | 20.9% | 20.3% | 20.7% | (20)bps | 40bps |
| EBIT | 62 | 49 | 53 | (14)% | 9% |
| <i>Margin</i> | 20.5% | 20.3% | 20.7% | 20bps | 40bps |
| Capital Employed (in billion \$) | 2.9 | 2.9 | 3.0 | NA | NA |

GGR Division Total Revenue was \$257 million, down 14% year-on-year and up 8% sequentially.

Multi-client revenue was \$120 million, down 6% year-on-year and up 21% sequentially.

Prefunding revenue was \$83 million, down 10% year-on-year and up 100% sequentially. Multi-client cash capex was at \$79 million, down 55% year-on-year and up 11% sequentially. The cash prefunding rate was at 106% versus 58% in Q1 2015 and 53% in Q2 2014. This higher prefunding revenue is due to a good level of sales in the North Sea and West Africa.

After-sales revenue was \$37 million, up 2% year-on-year and down 36% sequentially.

Subsurface Imaging & Reservoir revenue was \$137 million, down 20% year-on-year and 2% sequentially.

Reservoir and Geology revenues, which are traditionally stronger at year-end, were impacted by some delays in Capex spending this quarter.

GGR Division EBITDAs was \$138 million, a 53.6% margin.

GGR Division Operating Income was \$53 million, a 20.7% margin. This division's resilience was driven by strong multi-client prefunding, a good performance by Subsurface Imaging and Reservoir (SIR) and our cost reduction efforts. The multi-client depreciation rate totalled 60%, leading to a library Net Book Value of \$1,014 million at the end of June, split 13% onshore and 87% offshore.

GGR Division EBIT was \$53 million, a 20.7% margin.

GGR EBIT after NRC includes \$(4.5) million of non-recurring items linked to the Transformation Plan.

GGR Division Capital Employed was \$3.0 billion at the end of June 2015.

Second Quarter 2015 Financial Results before non-recurring charges (NRC)

Group Total Revenue was \$473 million, down 31% year-on-year and 17% sequentially. This breaks down to 20% from the Equipment division, 25% from the Data Acquisition division, and 55% from the GGR division.

| In million \$ | Second Quarter 2014 | First Quarter 2015 | Second Quarter 2015 | Variation Year-on- year | Variation quarter- to- quarter |
|----------------------------|---------------------------|--------------------------|---------------------------|-------------------------------|---|
| Group Total Revenue | 689 | 570 | 473 | (31)% | (17)% |
| Equipment | 196 | 125 | 107 | (46)% | (15)% |
| Data Acquisition | 481 | 296 | 223 | (54)% | (24)% |
| GGR | 300 | 239 | 257 | (14)% | 8% |
| <i>Eliminations</i> | <i>(288)</i> | <i>(90)</i> | <i>(114)</i> | <i>NA</i> | <i>NA</i> |

Group EBITDAs was \$112 million, a margin of 23.6%. After NRC, Group EBITDAs was \$106 million.

| In million \$ | Second Quarter 2014 | First Quarter 2015 | Second Quarter 2015 | Variation Year-on- year | Variation Quarter- to- quarter |
|------------------------------------|---------------------------|--------------------------|---------------------------|-------------------------------|---|
| Group EBITDAs | 194 | 145 | 112 | (42)% | (23)% |
| <i>Margin</i> | <i>28.1%</i> | <i>25.5%</i> | <i>23.6%</i> | <i>(450)bps</i> | <i>(190)bps</i> |
| Equipment | 50 | 25 | 17 | (66)% | (31)% |
| Data Acquisition | 95 | 44 | 6 | (94)% | (86)% |
| GGR | 159 | 122 | 138 | (13)% | 13% |
| <i>Eliminations</i> | <i>(97)</i> | <i>(35)</i> | <i>(41)</i> | <i>NA</i> | <i>NA</i> |
| <i>Corporate</i> | <i>(13)</i> | <i>(10)</i> | <i>(8)</i> | <i>NA</i> | <i>NA</i> |
| <i>Non-recurring charges (NRC)</i> | <i>(96)</i> | <i>(18)</i> | <i>(5)</i> | <i>NA</i> | <i>NA</i> |

Group Operating Income was \$(25) million, a margin of (5.2)%. After NRC, Group Operating Income was \$(30) million.

| In million \$ | Second Quarter 2014 | First Quarter 2015 | Second Quarter 2015 | Variation Year-on- year | Variation Quarter- to- quarter |
|------------------------------------|---------------------------|--------------------------|---------------------------|-------------------------------|---|
| Group Operating Income | 45 | 18 | (25) | (155)% | (235)% |
| <i>Margin</i> | <i>6.5%</i> | <i>3.2%</i> | <i>(5.2)%</i> | <i>(1170)bps</i> | <i>(840)bps</i> |
| Equipment | 39 | 14 | 7 | (83)% | (53)% |
| Data Acquisition | 19 | (19) | (55) | (397)% | (191)% |
| GGR | 63 | 49 | 53 | (15)% | 9% |
| <i>Eliminations</i> | <i>(61)</i> | <i>(16)</i> | <i>(22)</i> | <i>NA</i> | <i>NA</i> |
| <i>Corporate</i> | <i>(14)</i> | <i>(10)</i> | <i>(7)</i> | <i>NA</i> | <i>NA</i> |
| <i>Non-recurring charges (NRC)</i> | <i>(230)</i> | <i>(18)</i> | <i>(5)</i> | <i>NA</i> | <i>NA</i> |

Group EBIT was \$(9) million, a margin of (1.9)%. After NRC, Group EBIT was \$(14) million.

Total **non-recurring charges** were \$5 million.

Net financial costs were \$46 million:

Cost of debt was \$47 million. The total amount of interest paid during the quarter was \$49 million

Other financial items were a positive contribution of \$1 million.

Other Income Taxes totalled \$1 million.

Group Net Income was \$(61) million after NRC.

After minority interests, **Net Income attributable to the owners of CGG** was a loss of \$(62) million / (56) million. EPS was negative at \$(0.35) / (0.32).

Cash Flow

Cash Flow from operations was at \$101 million compared to \$268 million for the second quarter 2014. After NRC, the cash flow from operations was \$80 million.

Global Capex was \$115 million, up 4% sequentially and down 55% year-on-year.

Industrial capex was \$26 million, down 6% sequentially and 61% year-on-year

Research & Development capex was \$10 million

Multi-client cash capex was \$79 million, up 11% sequentially and down 55% year-on-year

| In million \$ | Second Quarter 2014 | First Quarter 2015 | Second Quarter 2015 |
|-------------------|------------------------|-----------------------|------------------------|
| Capex | 256 | 110 | 115 |
| Industrial | 66 | 27 | 26 |
| R&D | 15 | 12 | 10 |
| Multi-client Cash | 175 | 71 | 79 |
| <i>Marine MC</i> | <i>160</i> | <i>65</i> | <i>74</i> |
| <i>Land MC</i> | <i>15</i> | <i>6</i> | <i>5</i> |

Free Cash Flow

After the payment of interest expenses and Capex and before Non-Recurring Charges, **free cash flow** was negative at \$(64) million compared to \$(53) million for the second quarter 2014. After NRC, Free Cash Flow was negative at \$(85) million.

Comparison of Second Quarter 2015 with Second Quarter 2014 and First Quarter 2015

| Consolidated Income Statements | Second Quarter 2014 | First Quarter 2015 | Second Quarter 2015 |
|--|------------------------------------|-----------------------------------|------------------------------------|
| In Million \$ | | | |
| <i>Euro/dollar exchange rate</i> | 1.37 | 1.16 | 1.10 |
| Operating Revenue | 689 | 570 | 473 |
| <i>Equipment</i> | 196 | 125 | 107 |
| <i>Data Acquisition</i> | 481 | 296 | 223 |
| <i>GGR</i> | 300 | 239 | 257 |
| <i>Elimination</i> | (288) | (90) | (114) |
| Gross Margin after NRC | 132 | 90 | 39 |
| Operating Income before NRC | 45 | 18 | (25) |
| <i>Equipment</i> | 39 | 14 | 7 |
| <i>Data Acquisition</i> | 19 | (19) | (55) |
| <i>GGR</i> | 63 | 49 | 53 |
| <i>Corporate and Eliminations</i> | (75) | (26) | (29) |
| <i>NRC</i> | (230) | (18) | (5) |
| Operating Income after NRC | (186) | 1 | (30) |
| Equity from Investments before NRC | (13) | 1 | 15 |
| EBIT before NRC | 31 | 19 | (9) |
| EBIT after NRC | (199) | 2 | (14) |
| Net Financial Costs | (109) | (47) | (46) |
| Other Income Taxes | (13) | (7) | (1) |
| Deferred Tax on Currency Translation | (3) | (2) | 0.5 |
| Net Income | (325) | (55) | (61) |
| Earnings per share in \$ | (1.85) | (0.31) | (0.35) |
| Earnings per share in | (1.34) | (0.27) | (0.32) |
| EBITDAs after NRC | 98 | 128 | 106 |
| <i>Equipment</i> | 50 | 25 | 17 |
| <i>Data Acquisition</i> | 95 | 44 | 6 |
| <i>GGR</i> | 159 | 122 | 138 |
| <i>Corporate and Eliminations</i> | (110) | (45) | (49) |
| <i>NRC</i> | (96) | (18) | (5) |
| EBITDAs before NRC | 194 | 145 | 112 |
| Industrial/R&D Capex (including change in fixed assets payables) | 87 | 45 | 38 |
| MC Cash Capex | 175 | 71 | 79 |

First Half 2015 Financial Results

Group Total Revenue was \$1.042 billion, down 30% compared to 2014 due to weakening market conditions and perimeter effects. This figure breaks down to 20% from the Equipment division, 32% from the Data Acquisition division and 48% from the GGR division.

| In million \$ | First Half 2014 | First Half 2015 | Variation |
|----------------------------|-----------------|-----------------|--------------|
| Group Total Revenue | 1,495 | 1,042 | (30)% |
| Equipment | 403 | 232 | (42)% |
| Data Acquisition | 1,040 | 519 | (50)% |
| GGR | 590 | 496 | (16)% |
| <i>Eliminations</i> | <i>(538)</i> | <i>(205)</i> | <i>NA</i> |

Group EBITDAs was \$257 million, down 33% and representing a 24.6% margin. After NRC, Group EBITDAs was \$234 million.

| In million \$ | First Half 2014 | First Half 2015 | Variation |
|------------------------------|-----------------|-----------------|-----------------|
| Group EBITDAs | 383 | 257 | (33)% |
| <i>Margin</i> | <i>25.6%</i> | <i>24.6%</i> | <i>(100)bps</i> |
| Equipment | 102 | 42 | (59)% |
| Data Acquisition | 174 | 50 | (71)% |
| GGR | 318 | 260 | (18)% |
| <i>Eliminations</i> | <i>(183)</i> | <i>(77)</i> | <i>NA</i> |
| <i>Corporate Costs</i> | <i>(29)</i> | <i>(18)</i> | <i>NA</i> |
| <i>Non-recurring charges</i> | <i>(97)</i> | <i>(23)</i> | <i>NA</i> |

Group Operating Income was \$(6) million, a margin of (0.6)%. After NRC, Group Operating Income was \$(29) million. Market conditions deteriorated over the year with a slowdown in client Capex spending and the postponement of projects.

The Operating Income margin for Equipment was at 9.0%. The Equipment division showed strong resilience to the market downturn and lower volumes thanks to very efficient cost management and manufacturing flexibility.

The Operating Income margin for Data Acquisition was at (14.2)% (excluding NRC), despite a high production rate at 93% and good operational performance. The financial performance of our Data Acquisition division was impacted by difficult pricing conditions and a lower availability rate.

The Operating Income margin for GGR was at 20.5% with a solid performance across all the businesses. Multi-Client activity at \$219m was at a good level in H1 and the prefunding rate reached 83%. The multi-client depreciation rate totalled 58% leading to a Net Book Value of \$1,014 million at the end of June. Subsurface Imaging delivered a good performance notably in North America. Seasonal Reservoir and geology activities were impacted by some delays in clients Capex spending.

| In million \$ | First Half 2014 | First Half 2015 | Variation |
|-------------------------------|-----------------|-----------------|-----------------|
| Group Operating Income | 80 | (6) | (108)% |
| <i>Margin</i> | <i>5.4%</i> | <i>(0.6)%</i> | <i>(600)bps</i> |
| Equipment | 80 | 21 | (74)% |
| Data Acquisition | 20 | (74) | (479)% |
| GGR | 127 | 102 | (20)% |
| <i>Eliminations</i> | <i>(115)</i> | <i>(37)</i> | <i>NA</i> |
| <i>Corporate Costs</i> | <i>(31)</i> | <i>(18)</i> | <i>NA</i> |
| <i>Non-recurring charges</i> | <i>(232)</i> | <i>(23)</i> | <i>NA</i> |

Group EBIT was \$10 million, down 80%, representing a margin of 1.0%. After NRC, Group EBIT was \$(13) million.

Total **non-recurring charges** were \$23 million.

Net financial costs were \$93 million:

Cost of debt was \$90 million. The total amount of interest paid during the first half of the year was \$76 million

Other financial items showed a loss of \$4 million due to the Forex impact.

Other Income Taxes were \$8 million, mainly due to foreign deemed and foreign current taxations.

Group Net Income was \$(115) million after NRC.

After minority interests, **Net Income attributable to the owners of CGG** was a loss of \$(117) million / (104) million. EPS was negative at \$(0.66) / (0.59).

Cash Flow

Cash Flow from operations was \$217 million before NRC and \$171 million after NRC.

Global Capex was \$225 million, down 56% year-on-year.

Industrial capex was \$53 million, down 64% year-on-year

Research & Development capex was \$22 million

Multi-client cash capex was \$150 million, down 55% year-on-year

| In million \$ | First Half 2014 | First Half 2015 |
|-------------------|-----------------|-----------------|
| Capex | 508 | 225 |
| Industrial | 146 | 53 |
| R&D | 31 | 22 |
| Multi-client Cash | 331 | 150 |
| <i>Marine MC</i> | <i>304</i> | <i>140</i> |
| <i>Land MC</i> | <i>27</i> | <i>11</i> |

Free Cash Flow

After the payment of interest expenses and Capex and before Non-Recurring Charges, **free cash flow** was negative at \$(83) million compared to \$(204) million for the first half 2014. After NRC, Free Cash Flow was negative at \$(130) million.

Balance Sheet

Debt Management

As part of our dynamic management of the debt characteristics and balance sheet structure, CGG proposed in June 2015 to the 2019 Convertible Bondholders (360m) an Exchange Offer for a new 2020 Convertible Bond with a more favorable conversion strike (12.86) and an increased coupon (1.75%), paid by and paying for a one-year extension of the maturity date.

This Financial Operation was approved by 97% of votes at the Shareholders General Meeting on May 29th, and the take-up rate of the Exchange Offer was 90.3%. The exchange took place on June 26th.

Net Debt to Equity Ratio:

Group gross debt was \$2.721 billion at the end of June 2015. Available cash was \$224 million and Group net debt was \$2.497 billion.

Net debt to shareholders equity ratio, at the end of June 2015, was 95% compared to 90%, at the end of December 2014.

The Group's Liquidity, corresponding to the sum of the cash balance and the undrawn portion of the revolving credit facilities, amounted to \$472m at the end of June 2015.

First Half 2015 Comparisons with First Half 2014
Consolidated Income Statements

| In Million \$ | First Half 2014 | First Half 2015 |
|--|----------------------------|----------------------------|
| <i>Euro/dollar exchange rate</i> | 1.37 | 1.13 |
| Operating Revenue | 1,495 | 1,042 |
| <i>Equipment</i> | 403 | 232 |
| <i>Data Acquisition</i> | 1,040 | 519 |
| <i>GGR</i> | 590 | 496 |
| <i>Elimination</i> | (538) | (205) |
| Gross Margin after NRC | 266 | 129 |
| Operating Income before NRC | 80 | (6) |
| <i>Equipment</i> | 80 | 21 |
| <i>Data Acquisition</i> | 20 | (74) |
| <i>GGR</i> | 127 | 102 |
| <i>Corporate and Eliminations</i> | (147) | (55) |
| <i>NRC</i> | (232) | (23) |
| Operating Income after NRC | (151) | (29) |
| Equity from Investments before NRC | (30) | 16 |
| EBIT before NRC | 51 | 10 |
| EBIT after NRC | (181) | (13) |
| Net Financial Costs | (154) | (93) |
| Other Income Taxes | (24) | (8) |
| Deferred Tax on Currency Translation | (4) | (1) |
| Net Income | (364) | (115) |
| Earnings per share in \$ | (2.07) | (0.66) |
| Earnings per share in | (1.51) | (0.59) |
| EBITDAs after NRI | 286 | 234 |
| <i>Equipment</i> | 102 | 42 |
| <i>Data Acquisition</i> | 174 | 50 |
| <i>GGR</i> | 318 | 260 |
| <i>Corporate and Eliminations</i> | (211) | (95) |
| <i>NRC</i> | (97) | (23) |
| EBITDAs before NRC | 383 | 257 |
| Industrial/R&D Capex (including change in fixed assets payables) | 188 | 83 |
| MC Cash Capex | 331 | 150 |

Other Information

An English language analysts conference call is scheduled today at 9:00 am (Paris time) 8:00 am (London time)

To follow this conference, please access the live webcast:

From your computer at:

www.cgg.com

A replay of the conference will be available via webcast on the CGG website at: www.cgg.com.

For analysts, please dial the following numbers 5 to 10 minutes prior to the scheduled start time:

| | |
|----------------|---------------------|
| France call-in | +33(0)1 76 77 22 21 |
| UK call-in | +44(0)20 3427 1906 |
| Access code | 1262565 |

About CGG

CGG (www.cgg.com) is a fully integrated Geoscience company providing leading geological, geophysical and reservoir capabilities to its broad base of customers primarily from the global oil and gas industry. Through its three complementary business divisions of Equipment, Acquisition and Geology, Geophysics & Reservoir (GGR), CGG brings value across all aspects of natural resource exploration and exploitation.

CGG employs over 8,500 people around the world, all with a Passion for Geoscience and working together to deliver the best solutions to its customers.

CGG is listed on the Euronext Paris SA (ISIN: 0000120164) and the New York Stock Exchange (in the form of American Depositary Shares. NYSE: CGG).

Contacts

Group Communications

Christophe Barnini

Tel: + 33 1 64 47 38 11

E-Mail: : invrelparis@cgg.com

Investor Relations

Catherine Leveau

Tel: +33 1 64 47 34 89

E-mail: : invrelparis@cgg.com

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Amounts in millions of U.S.\$, unless indicated | June 30, 2015 (unaudited) | December 31, 2014 |
|--|------------------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | 223.6 | 359.1 |
| Trade accounts and notes receivable, net | 777.3 | 942.5 |
| Inventories and work-in-progress, net | 381.7 | 417.3 |
| Income tax assets | 109.0 | 145.9 |
| Other current assets, net | 118.0 | 126.5 |
| Assets held for sale, net | 33.7 | 38.3 |
| Total current assets | 1,643.3 | 2,029.6 |
| Deferred tax assets | 79.2 | 98.2 |
| Investments and other financial assets, net | 154.6 | 141.8 |
| Investments in companies under equity method | 156.7 | 137.7 |
| Property, plant and equipment, net | 1,112.3 | 1,238.2 |
| Intangible assets, net | 1,432.9 | 1,373.8 |
| Goodwill, net | 2,037.8 | 2,041.7 |
| Total non-current assets | 4,973.5 | 5,031.4 |
| TOTAL ASSETS | 6,616.8 | 7,061.0 |
| LIABILITIES AND EQUITY | | |
| Bank overdrafts | 1.3 | 2.9 |
| Current portion of financial debt | 73.1 | 75.7 |
| Trade accounts and notes payable | 321.2 | 444.2 |
| Accrued payroll costs | 170.0 | 222.5 |
| Income taxes liability payable | 40.7 | 72.2 |
| Advance billings to customers | 61.9 | 54.4 |
| Provisions - current portion | 92.3 | 106.0 |
| Other current liabilities | 167.7 | 231.8 |
| Total current liabilities | 928.2 | 1,209.7 |
| Deferred tax liabilities | 140.0 | 153.8 |
| Provisions - non-current portion | 193.3 | 220.3 |
| Financial debt | 2,646.4 | 2,700.3 |
| Other non-current liabilities | 20.7 | 30.7 |
| Total non-current liabilities | 3,000.4 | 3,105.1 |
| Common stock 279,975,612 shares authorized and 177,065,192 shares with a 0.40 nominal value issued and outstanding at June 30, 2015 and 177,065,192 at December 31, 2014 | 92.8 | 92.8 |
| Additional paid-in capital | 1,409.7 | 3,180.4 |
| Retained earnings | 1,187.9 | 562.0 |
| Other reserves | 119.7 | 64.7 |
| Treasury shares | (20.6) | (20.6) |
| Net income (loss) for the period attributable to owners of CGG SA | (117.0) | (1,154.4) |
| Cumulative income and expense recognized directly in equity | (6.2) | (7.6) |
| Cumulative translation adjustment | (25.3) | (24.3) |
| Equity attributable to owners of CGG SA | 2,641.0 | 2,693.0 |

| | | |
|-------------------------------------|----------------|----------------|
| Non-controlling interests | 47.2 | 53.2 |
| Total equity | 2,688.2 | 2,746.2 |
| TOTAL LIABILITIES AND EQUITY | 6,616.8 | 7,061.0 |

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

| Amounts in millions of U.S.\$, except per share data or unless indicated | Six months ended June 30, | |
|---|---------------------------|----------------|
| | 2015 | 2014 |
| Operating revenues | 1,042.1 | 1,495.3 |
| Other income from ordinary activities | 0.8 | 0.9 |
| Total income from ordinary activities | 1,042.9 | 1,496.2 |
| Cost of operations | (913.7) | (1,230.2) |
| Gross profit | 129.2 | 266.0 |
| Research and development expenses, net | (47.5) | (54.0) |
| Marketing and selling expenses | (45.8) | (59.7) |
| General and administrative expenses | (50.0) | (79.2) |
| Other revenues (expenses), net | (14.8) | (224.5) |
| Operating income | (28.9) | (151.4) |
| Expenses related to financial debt | (90.6) | (110.9) |
| Income provided by cash and cash equivalents | 1.0 | 0.9 |
| Cost of financial debt, net | (89.6) | (110.0) |
| Other financial income (loss) | (3.6) | (44.4) |
| Income (loss) of consolidated companies before income taxes | (122.1) | (305.8) |
| Deferred taxes on currency translation | (1.2) | (4.2) |
| Other income taxes | (8.3) | (23.9) |
| Total income taxes | (9.5) | (28.1) |
| Net income (loss) from consolidated companies | (131.6) | (333.9) |
| Share of income (loss) in companies accounted for under equity method | 16.2 | (29.7) |
| Net income (loss) | (115.4) | (363.6) |
| <i>Attributable to:</i> | | |
| <i>Owners of CGG SA</i> | \$ (117.0) | (366.9) |
| <i>Owners of CGG SA ⁽¹⁾</i> | (103.9) | (267.3) |
| <i>Non-controlling interests</i> | \$ 1.6 | 3.3 |
| Weighted average number of shares outstanding | 177,065,192 | 176,905,393 |
| Dilutive potential shares from stock-options | (2) | (2) |
| Dilutive potential shares from performance share plans | (2) | (2) |
| Dilutive potential shares from convertible bonds | (2) | (2) |
| Dilutive weighted average number of shares outstanding adjusted when dilutive | 177,065,192 | 176,905,393 |
| Net income (loss) per share | | |
| Basic | \$ (0.66) | (2.07) |
| Basic ⁽¹⁾ | (0.59) | (1.51) |
| Diluted | \$ (0.66) | (2.07) |
| Diluted ⁽¹⁾ | (0.59) | (1.51) |

(1) Converted at the average exchange rate of U.S.\$1.1256 and U.S.\$1.3726 per for the periods ended June 30, 2015 and 2014, respectively.

(2) As our net result was a loss, stock-options, performance shares plans and convertible bonds had an accretive effect; as a consequence, potential shares linked to those instruments were not taken into account in the dilutive

weighted average number of shares, or in the calculation of diluted loss per share.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

| Amounts in millions of U.S.\$, except per share data or unless indicated | Three months ended June 30, | |
|---|-----------------------------|----------------|
| | 2015 | 2014 |
| Operating revenues | 472.6 | 689.1 |
| Other income from ordinary activities | 0.4 | 0.5 |
| Total income from ordinary activities | 473.0 | 689.6 |
| Cost of operations | (433.9) | (557.7) |
| Gross profit | 39.1 | 131.9 |
| Research and development expenses, net | (21.4) | (27.6) |
| Marketing and selling expenses | (22.1) | (30.2) |
| General and administrative expenses | (23.5) | (37.3) |
| Other revenues (expenses), net | (1.7) | (222.7) |
| Operating income | (29.6) | (185.9) |
| Expenses related to financial debt | (47.7) | (62.7) |
| Income provided by cash and cash equivalents | 0.5 | 0.3 |
| Cost of financial debt, net | (47.2) | (62.4) |
| Other financial income (loss) | 1.0 | (46.9) |
| Income (loss) of consolidated companies before income taxes | (75.8) | (295.2) |
| Deferred taxes on currency translation | 0.5 | (3.2) |
| Other income taxes | (1.0) | (13.0) |
| Total income taxes | (0.5) | (16.2) |
| Net income (loss) from consolidated companies | (76.3) | (311.4) |
| Share of income (loss) in companies accounted for under equity method | 15.4 | (13.2) |
| Net income (loss) | (60.9) | (324.6) |
| <i>Attributable to:</i> | | |
| <i>Owners of CGG SA</i> | \$ (61.5) | (326.5) |
| <i>Owners of CGG SA ⁽¹⁾</i> | (55.9) | (237.8) |
| <i>Non-controlling interests</i> | \$ 0.6 | 1.9 |
| Weighted average number of shares outstanding | 177,065,192 | 176,919,920 |
| Dilutive potential shares from stock-options | (2) | (2) |
| Dilutive potential shares from performance share plans | (2) | (2) |
| Dilutive potential shares from convertible bonds | (2) | (2) |
| Dilutive weighted average number of shares outstanding adjusted when dilutive | 177,065,192 | 176,919,920 |
| Net income (loss) per share | | |
| Basic | \$ (0.35) | (1.85) |
| Basic ⁽¹⁾ | (0.32) | (1.34) |
| Diluted | \$ (0.35) | (1.85) |
| Diluted ⁽¹⁾ | (0.32) | (1.34) |

(1) Corresponding to the half-year amount in euros less the first quarter amount in euros.

(2) As our net result was a loss, stock-options, performance shares plans and convertible bonds had an accretive effect; as a consequence, potential shares linked to those instruments were not taken into account in the dilutive weighted average number of shares, or in the calculation of diluted loss per share.

UNAUDITED ANALYSIS BY SEGMENT

| Millions of U.S.\$, except for assets and liabilities employed in billions of U.S.\$ | Six months ended June 30, | | | | | Six months ended June 30, | | | | |
|--|---------------------------|--------------|-------------------------------|----------------|----------------|---------------------------|--------------|-------------------------------|----------------|----------------|
| | 2015 | | Eliminations and Consolidated | | | 2014 | | Eliminations and Consolidated | | |
| | Acquisition | GGR | Equipment | Other | Total | Acquisition | GGR | Equipment | Other | Total |
| Revenues from unaffiliated customers | 335.3 | 496.4 | 210.4 | | 1,042.1 | 593.9 | 589.7 | 311.7 | | 1,495.3 |
| Segment revenues | 183.6 | | 21.6 | (205.2) | | 446.1 | | 90.9 | (537.0) | |
| Operating revenues | 518.9 | 496.4 | 232.0 | (205.2) | 1,042.1 | 1,040.0 | 589.7 | 402.6 | (537.0) | 1,445.3 |
| Depreciation and amortization (excluding multi-client surveys) | (123.9) | (35.8) | (20.8) | | (180.5) | (230.9) | (37.3) | (43.2) | | (392.1) |
| Depreciation and amortization of multi-client surveys | | (126.2) | | | (126.2) | | (194.6) | | | (126.2) |
| Operating income | (90.3) | 95.6 | 20.9 | (55.1) | (28.9) | (149.9) | 86.1 | 58.0 | (145.6) | (119.5) |
| Share of income in companies accounted for under equity method (1) | 16.2 | | | | 16.2 | (28.3) | (1.4) | | | (13.5) |
| Earnings before interest and tax (2) | (74.1) | 95.6 | 20.9 | (55.1) | (12.7) | (178.2) | 84.7 | 58.0 | (145.6) | (133.0) |
| Capital expenditures (excluding multi-client surveys) (3) | 33.0 | 29.5 | 12.0 | 8.1 | 82.6 | 103.8 | 34.7 | 38.1 | 11.8 | 190.4 |
| Payments in multi-client surveys, net cash | | 150.4 | | | 150.4 | | 331.0 | | | 331.0 |
| Capital employed | 1.5 | 3.0 | 0.7 | | 5.2 | 2.4 | 2.9 | 0.8 | | 6.1 |
| Identifiable assets | 2.1 | 3.2 | 0.9 | | 6.2 | 2.9 | 3.2 | 1.1 | 0.1 | 7.3 |

(1) Share of operating results of companies accounted for under equity method were U.S.\$22.3 million and U.S.\$(26.2) million for the six months ended June 30, 2015 and 2014, respectively.

(2) At the Group level, Operating Income and EBIT before costs related to the Transformation Plan amount respectively to U.S.\$(6.3) million and U.S.\$9.9 million for the six months ended June 30, 2015, compared to U.S.\$80.4 million and U.S.\$50.7 million respectively for the six months ended June 30, 2014.

For the six months ended June 30, 2015, Acquisition EBIT includes U.S.\$(16.4) million of restructuring costs, net of reversal of provisions, linked to the Transformation Plan (mainly provisions for redundancy costs).

For the six months ended June 30, 2014, Acquisition EBIT included:

(i) U.S.\$(117.4) million related to the Marine and Land Transformation Plan, of which U.S.\$(93.5) million relating to redundancies costs, facilities exit costs and provisions for onerous contracts and U.S.\$(23.9) million relating mainly to impairment of marine fixed equipment;

(ii)

U.S.\$(52.0) million impairment of our investment in the SBGS JV (Seabed Geosolutions BV) accounted for under equity method;

(iii) and a net gain arising from the sale of 2% of Ardiseis FZCO amounting to U.S.\$11.1 million.

For the six months ended June 30, 2015, GGR EBIT also includes U.S.\$(6.2) million of restructuring costs linked to the Transformation Plan. For the six months ended June 30, 2014, GGR EBIT included a U.S.\$(36.7) million impairment of 2007-2009 Brazilian multi-client surveys; and redundancies and facilities exit costs for U.S.\$(4.0) million.

For the six months ended June 30, 2014, Equipment EBIT included a U.S.\$(21.7) million impairment of intangible assets.

For the six months ended June 30, 2015 and June 30, 2014, eliminations and other includes U.S.\$(17.6) million and U.S.\$(31.1) million of general corporate expenses, respectively.

(3) Capital expenditures include capitalized development costs of U.S.\$(21.5) million and U.S.\$(31.0) million for the six months ended June 30, 2015 and 2014, respectively. Eliminations and other corresponds to the variance of suppliers of assets for the period.

| In millions of U.S.\$ | Three months ended June 30, | | | | | Three months ended June 30, | | | | |
|--|-----------------------------|--------------|----------------------------------|----------------|---------------|-----------------------------|--------------|----------------------------------|----------------|----------------|
| | 2015 | | Eliminations and Consolidated | | | 2014 | | Eliminations and Consolidated | | |
| | Acquisition | GGR | Equipment | Other | Total | Acquisition | GGR | Equipment | Other | Total |
| Revenues from unaffiliated customers | 118.6 | 257.4 | 96.6 | | 472.6 | 241.0 | 299.8 | 148.3 | | 689.1 |
| Inter-segment revenues | 104.7 | | 10.1 | (114.8) | | 239.7 | | 48.1 | (287.8) | |
| Operating revenues | 223.3 | 257.4 | 106.7 | (114.8) | 472.6 | 480.7 | 299.8 | 196.4 | (287.8) | 689.1 |
| Depreciation and amortization (excluding multi-client surveys) | (61.3) | (16.8) | (10.3) | | (88.4) | (153.2) | (20.9) | (33.3) | | (207.4) |
| Depreciation and amortization of multi-client surveys | | (72.5) | | | (72.5) | | (114.4) | | | (114.4) |
| Operating income | (55.6) | 48.7 | 6.7 | (29.4) | (29.6) | (150.4) | 22.6 | 16.7 | (74.8) | (185.9) |
| Share of income in companies accounted for under equity method (1) | 15.4 | | | | 15.4 | (12.1) | (1.1) | | | (13.2) |
| Earnings before interest and tax (2) | (40.2) | 48.7 | 6.7 | (29.4) | (14.2) | (162.5) | 21.5 | 16.7 | (74.8) | (199.1) |
| Capital expenditures (excluding multi-client surveys) (3) | 13.9 | 14.0 | 7.7 | 2.0 | 37.6 | 45.1 | 16.8 | 19.2 | 5.5 | 86.6 |
| Investments in multi-client surveys, net cash | | 78.9 | | | 78.9 | | 175.1 | | | 175.1 |

(1) Share of operating results of companies accounted for under equity method were U.S.\$17.3 million and U.S.\$(11.9) million for the three months ended June 30, 2015 and 2014, respectively.

(2) At the Group level, Operating Income and EBIT before costs related to the Transformation Plan amount respectively to U.S.\$(24.5) million and U.S.\$(9.1) million for the three months ended June 30, 2015, compared to U.S.\$44.6 million and U.S.\$31.4 million respectively for the three months ended June 30, 2014.

For the three months ended June 30, 2015, Acquisition EBIT includes U.S.\$(0.6) million of restructuring costs, net of reversal of provisions, linked to the Transformation Plan.

For the three months ended June 30, 2014, Acquisition EBIT included:

(i) U.S.\$(116.7) million related to the Marine and Land Transformation Plan, of which U.S.\$(92.8) million relating to redundancies costs, facilities exit costs and provisions for onerous contracts and U.S.\$(23.9) million relating mainly to impairment of marine fixed equipment;

(ii) U.S.\$(52.0) million impairment of our investment in the SBGS JV accounted for under equity method;

(iii) and a net gain arising from the sale of 2% of Ardiseis FZCO amounting to U.S.\$11.1 million.

For the three months ended June 30, 2015, GGR EBIT also includes U.S.\$(4.5) million of restructuring costs linked to the Transformation Plan. For the three months ended June 30, 2014, GGR EBIT included a U.S.\$(36.7) million impairment of 2007-2009 Brazilian multi-client surveys; and redundancies and facilities exit costs for U.S.\$(3.4) million.

For the three months ended June 30, 2014, Equipment EBIT included a U.S.\$(21.7) million impairment of intangible assets.

For the three months ended June 30, 2015 and June 30, 2014, eliminations and other includes U.S.\$(7.2) million and U.S.\$(13.9) million of general corporate expenses, respectively.

(3) Capital expenditures include capitalized development costs of U.S.\$(9.8) million and U.S.\$(15.1) million for the three months ended June 30, 2015 and 2014, respectively. Eliminations and other corresponds to the variance of suppliers of assets for the period.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| Amounts in millions of U.S.\$ | Six months ended | |
|--|------------------|----------------|
| | June 30, | |
| | 2015 | 2014 |
| OPERATING | | |
| Net income (loss) | (115.4) | (363.6) |
| Depreciation and amortization | 180.5 | 311.4 |
| Multi-client surveys depreciation and amortization | 126.2 | 194.6 |
| Depreciation and amortization capitalized to multi-client surveys | (43.2) | (72.6) |
| Variance on provisions | (31.9) | 74.7 |
| Stock based compensation expenses | (0.2) | 3.8 |
| Net gain (loss) on disposal of fixed assets | (0.8) | (7.1) |
| Equity income (loss) of investees | (16.2) | 29.7 |
| Dividends received from affiliates | 4.1 | 29.9 |
| Other non-cash items | (5.6) | 45.5 |
| Net cash including net cost of financial debt and income tax | 97.5 | 246.3 |
| Add back net cost of financial debt | 89.6 | 110.0 |
| Add back income tax expense | 9.5 | 28.1 |
| Net cash excluding net cost of financial debt and income tax | 196.6 | 384.4 |
| Income tax paid | (10.4) | (67.7) |
| Net cash before changes in working capital | 186.2 | 316.7 |
| - change in trade accounts and notes receivable | 133.8 | 143.9 |
| - change in inventories and work-in-progress | 13.3 | 20.5 |
| - change in other current assets | 16.9 | (20.7) |
| - change in trade accounts and notes payable | (110.8) | (34.5) |
| - change in other current liabilities | (76.0) | (44.8) |
| Impact of changes in exchange rate on financial items | 7.1 | (0.2) |
| Net cash provided by operating activities | 170.5 | 380.9 |
| INVESTING | | |
| Capital expenditures (including variation of fixed assets suppliers, excluding multi-client surveys) | (82.6) | (188.4) |
| Investment in multi-client surveys, net cash | (150.4) | (331.0) |
| Proceeds from disposals of tangible and intangible assets | 8.4 | 2.4 |
| Total net proceeds from financial assets | 4.4 | 1.2 |
| Acquisition of investments, net of cash and cash equivalents acquired | (19.3) | (6.5) |
| Impact of changes in consolidation scope | | |
| Variation in loans granted | (13.1) | |
| Variation in subsidies for capital expenditures | (0.6) | |
| Variation in other non-current financial assets | 0.8 | (2.8) |
| Net cash used in investing activities | (252.4) | (525.1) |
| FINANCING | | |
| Repayment of long-term debts | (191.3) | (1,070.7) |
| Total issuance of long-term debts | 233.4 | 1,215.0 |
| Lease repayments | (4.1) | (4.3) |
| Change in short-term loans | (1.6) | (2.6) |
| Financial expenses paid | (75.6) | (71.8) |

| | | |
|---|----------------|----------------|
| <i>Net proceeds from capital increase</i> | | |
| - from shareholders | | 0.1 |
| - from non-controlling interests of integrated companies | | |
| <i>Dividends paid and share capital reimbursements</i> | | |
| - to shareholders | | |
| - to non-controlling interests of integrated companies | (7.5) | (35.5) |
| Acquisition/disposal from treasury shares | | |
| Net cash provided by (used in) financing activities | (46.7) | 30.2 |
| Effects of exchange rates on cash | (6.9) | (0.7) |
| Impact of changes in consolidation scope | | (30.0) |
| Net increase (decrease) in cash and cash equivalents | (135.5) | (144.7) |
| Cash and cash equivalents at beginning of year | 359.1 | 530.0 |
| Cash and cash equivalents at end of period | 223.6 | 385.3 |

THIS FORM 6-K REPORT IS HEREBY INCORPORATED BY REFERENCE INTO CGG S REGISTRATION STATEMENT ON FORM S-8 (REGISTRATION STATEMENT NO. 333-150384, NO. 333-158684, NO. 333-166250, NO. 333-173638, NO. 333-188120 AND NO. 333-197785) AND SHALL BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, CGG has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date July 31st, 2015

By /s/ Stéphane-Paul FRYDMAN
S.P. FRYDMAN
Corporate Officer & CFO

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