

CGG  
Form 6-K  
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**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 August 2018**

**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



**CGG Announces its 2018 Second Quarter Results**

**Q2 2018: solid segment EBITDAs in line with expectations**

IFRS figures<sup>1</sup>: revenue at \$314m, OPINC at \$26m, net income at \$49m

**Segment revenue<sup>2</sup> at \$338m**, down 3% year-on-year

GGR: robust Subsurface Imaging & Reservoir (SIR) activity and Multi-Client driven by high after-sales partly offsetting lower prefunding

Equipment: strong volume increase leading to breakeven

Contractual Data Acquisition: continuing competitive market environment

**Segment EBITDAs<sup>2</sup> at \$110m**, down 9% year-on-year, a 33% margin

**Segment operating income<sup>2</sup> at \$40m**, versus \$(3)m last year, supported by favorable Multi-Client sales mix and increase in Equipment sales

**Q2 operational highlights**

Multi-Client recorded large sales in North Sea and US onshore; activity in Brazil, Mozambique and Permian basin

SIR activity driven by client reservoir/ production imaging and services, including nodes processing

Equipment main sales notably in North Africa and Asia

Contractual Data Acquisition fleet operating in West Africa

**H1 2018: activity gradually improving**

IFRS figures<sup>1</sup>: revenue at \$560m, OPINC at \$(41)m, net income at \$696m

**Segment revenue<sup>2</sup> at \$633m**, up 6% year-on-year

**Segment EBITDAs<sup>2</sup> at \$163m**, up 9% year-on-year, a 26% margin

**Segment operating income<sup>2</sup> at \$17m**, versus \$(71)m last year  
**Sound financial situation**

First Lien refinancing completed in April 2018

Limited cash consumption, **segment FCF at \$(9)m**

**Net debt of \$716m** at end of June, **liquidity of \$447m** and leverage ratio at 1.9x  
**Reiterated 2018 outlook**

Capital Market Day planned on November 7<sup>th</sup>

<sup>1</sup> Based on transitory IFRS 15 application

<sup>2</sup> Segment figures presented before IFRS 15 and Non-Recurring Charges (NRC)

**PARIS, France August 2<sup>nd</sup> 2018 CGG** (ISIN: FR0013181864 NYSE: CGG), **world leader in Geoscience**, announced today its 2018 second quarter unaudited results.

**Commenting on these results, Sophie Zurquiyah, CGG CEO, said:**

*The second quarter results were in line with our expectations with a stable EBITDAs margin year-over-year. SIR performed well and Multi-Client after-sales were particularly high with significant contribution from the North Sea. Prefunding was low, primarily as a result of regulatory delays. Equipment saw strong volume increase and returned to breakeven. Contractual Data Acquisition activities were still under pressure with continued low prices.*

*Priority is to focus on cash generation, and specifically this quarter cash consumption was limited due to rigorous management of working capital.*

*In the context of a gradual market improvement, while clients maintain a cautious approach to spending, we remain on track to meet our targets for 2018.*

## Post-closing events

### **Geowave Voyager**

SeaBird Exploration Plc announced on July 11, 2018 that it was in an exclusive process to acquire our seismic vessel Geowave Voyager and certain seismic equipment for cash consideration of US\$17 million. The transfer of ownership of the Vessel and closing of the transaction is expected to be finalized by October 2018. As of June 30, 2018, the classification of the Geowave Voyager as an asset held for sale is unchanged.

### **Convertible bondholder s appeal**

On July 17, 2018, certain holders of CGG s convertible bonds filed a recourse before the French Supreme Court (Cour de cassation) against the ruling rendered on May 17, 2018 by the Appeals Court of Paris rejecting a claim by a group of Convertible Bondholders against the ruling of the Commercial Court of Paris sanctioning the safeguard plan on December 1, 2017.

### **Transitory application of IFRS 15**

Discussions between CGG, its auditors and the regulators are still on going. CGG continues advocating for the IFRS 15 compliance of revenue recognition policy based on the two distinct performance obligations contained in these contracts.

In the absence of a finalized IFRS 15 accounting policy, prior to the Group s second quarter 2018 results, CGG decided to continue presenting a dual approach:

- (i) one set of figures (the IFRS figures) in line with the accounting practice adopted by some other seismic players, with pre-commitment revenue recognized in full only upon delivery of the final data, and
- (ii) a second set of figures (the Segment Figures ) corresponding to the figures used for internal management reporting purposes and produced in accordance with the Group s historical method (percentage of completion for multi-clients pre-commitments).

The Company aims to fix a definitive approach with its auditors and the regulators ideally prior to the release of Q3 2018 financial statements and at the latest for the 2018 annual report.

Please find below tables for key IFRS figures, segment figures and bridges; please refer to our 6-K document for full IFRS financial statements.

## Key IFRS Figures - Second Quarter 2018

In million \$	Second Quarter 2017*	First Quarter 2018	Second Quarter 2018
<b>Group revenue</b>	<b>349.8</b>	<b>245.6</b>	<b>314.3</b>
<b>Operating income</b>	<b>(98.2)</b>	<b>(67.1)</b>	<b>26.3</b>
Equity from investments	(2.5)	1.3	1.1
Net cost of financial debt	(48.7)	(33.2)	(33.3)
Other financial income (loss)	0.5	762.8	65.2
Income taxes	(20.8)	(17.2)	(10.2)
<b>Net income</b>	<b>(169.7)</b>	<b>646.6</b>	<b>49.1</b>
<b>Net debt</b>	<b>2,497.0</b>	<b>659.3</b>	<b>715.9</b>
<b>Capital employed</b>	<b>3,273.5</b>	<b>3,149.4</b>	<b>3,158.1</b>

\* Previous periods are not restated as per IFRS 15 guidelines

## Key Segment Figures - Second Quarter 2018

In million \$	Second Quarter 2017	First Quarter 2018	Second Quarter 2018
<b>Segment revenue</b>	<b>349.8</b>	<b>294.7</b>	<b>337.9</b>
<b>Segment EBITDAs</b>	<b>120.0</b>	<b>53.0</b>	<b>109.7</b>
<i>Group EBITDAs margin</i>	<i>34.3%</i>	<i>18.0%</i>	<i>32.5%</i>
<b>Segment operating income</b>	<b>(3.5)</b>	<b>(22.3)</b>	<b>39.7</b>
<i>Opinc margin</i>	<i>(1.0)%</i>	<i>(7.6)%</i>	<i>11.7%</i>
Non-recurring charges (NRC)	(94.7)	(33.9)	(3.4)
IFRS 15 adjustment	<i>na</i>	(10.9)	(10.0)
<b>IFRS operating income</b>	<b>(98.2)</b>	<b>(67.1)</b>	<b>26.3</b>
Equity from investments	(2.5)	1.3	1.1
Net cost of financial debt	(48.7)	(33.2)	(33.3)
Other financial income (loss)	0.5	762.8	65.2
Income taxes	(20.8)	(17.2)	(10.2)
<b>Net income</b>	<b>(169.7)</b>	<b>646.6</b>	<b>49.1</b>
Segment Operating Cash Flow	52.2	62.8	95.1
IFRS Operating Cash Flow	(2.1)	7.1	84.9
Segment Free Cash Flow	(23.9)	(39.9)	(9.3)
IFRS Free Cash Flow	(78.2)	(95.6)	(19.5)
<b>Net debt</b>	<b>2,497.0</b>	<b>659.3</b>	<b>715.9</b>
<b>Capital employed</b>	<b>3,273.5</b>	<b>3,179.7</b>	<b>3,199.0</b>

**Key IFRS Figures First Half 2018**

<b>In million \$</b>	<b>First Half 2017*</b>	<b>First Half 2018</b>
<b>Group revenue</b>	<b>599.2</b>	<b>559.9</b>
<b>Operating income</b>	<b>(195.1)</b>	<b>(40.8)</b>
Equity from investments	0	2.4
Net cost of financial debt	(95.5)	(66.5)
Other financial income (loss)	(1.1)	828.0
Income taxes	(23.1)	(27.4)
<b>Net income</b>	<b>(314.8)</b>	<b>695.7</b>
<b>Net debt</b>	<b>2,497.0</b>	<b>715.9</b>
<b>Capital employed</b>	<b>3,273.5</b>	<b>3,158.1</b>

\* Previous periods are not restated as per IFRS 15 guidelines

**Key Segment Figures First Half 2018**

<b>In million \$</b>	<b>First Half 2017</b>	<b>First Half 2018</b>
<b>Segment revenue</b>	<b>599.2</b>	<b>632.6</b>
<b>Segment EBITDAs</b>	<b>148.7</b>	<b>162.7</b>
<i>Group EBITDAs margin</i>	<i>24.8%</i>	<i>25.7%</i>
<b>Segment operating income</b>	<b>(70.7)</b>	<b>17.4</b>
<i>Opinc margin</i>	<i>(11.8)%</i>	<i>2.8%</i>
Non-recurring charges (NRC)	(124.4)	(37.3)
IFRS 15 adjustment	<i>na</i>	(20.9)
<b>IFRS operating income</b>	<b>(195.1)</b>	<b>(40.8)</b>
Equity from investments	0	2.4
Net cost of financial debt	(95.5)	(66.5)
Other financial income (loss)	(1.1)	828.0
Income taxes	(23.1)	(27.4)
<b>Net income</b>	<b>(314.8)</b>	<b>695.7</b>
Segment Operating Cash Flow	86.6	157.9
IFRS Operating Cash Flow	(12.9)	92.0
Segment Free Cash Flow	(98.2)	(49.2)
IFRS Free Cash Flow	(197.7)	(115.1)
<b>Net debt</b>	<b>2,497.0</b>	<b>715.9</b>
<b>Capital employed</b>	<b>3,273.5</b>	<b>3,199.0</b>

## Key figures bridge: Segment to IFRS - Second Quarter 2018

<b>Q2 2018 P&amp;L items</b>	<b>Segment</b>	<b>IFRS 15</b>	<b>NRC*</b>	
<b>In million \$</b>	<b>figures</b>	<b>adjustments</b>	<b>adjustments</b>	<b>IFRS figures</b>
Total revenue	337.9	(23.6)	0	314.3
OPINC	39.7	(10.0)	(3.4)	26.3
<b>Q2 2018 Cash Flow Statement items</b>	<b>Segment</b>	<b>IFRS 15</b>	<b>NRC*</b>	
<b>In million \$</b>	<b>figures</b>	<b>adjustments</b>	<b>adjustments</b>	<b>IFRS figures</b>
EBITDAs	109.7	(23.6)	(3.4)	82.7
Change in Working Capital & Provisions	(22.9)	23.6	6.2	6.9
Cash Flow from Operations	95.1	0	(10.2)	84.9
<b>Opening Balance Sheet - April 1st 2018</b>	<b>Segment</b>	<b>IFRS 15</b>	<b>NRC*</b>	<b>IFRS</b>
<b>In million \$</b>	<b>figures</b>	<b>adjustments</b>	<b>adjustments</b>	<b>figures</b>
MC Data Library NBV	853.9	157.6	0	1,011.5
Other current liabilities	104.9	153.1	0	258.0
<b>Closing Balance Sheet - June 30th 2018</b>	<b>Segment</b>	<b>IFRS 15</b>	<b>NRC*</b>	<b>IFRS</b>
<b>In million \$</b>	<b>figures</b>	<b>adjustments</b>	<b>adjustments</b>	<b>figures</b>
MC Data Library NBV	869.8	170.8	0	1,040.6
Other current liabilities	94.6	157.5	0	252.1

\* Non-recurring charges linked to Transformation Plan and Financial Restructuring

## Key figures bridge: Segment to IFRS - First Half 2018

<b>H1 2018 P&amp;L items</b>	<b>Segment</b>	<b>IFRS 15</b>	<b>NRC*</b>	
<b>In million \$</b>	<b>figures</b>	<b>adjustments</b>	<b>adjustments</b>	<b>IFRS figures</b>
Total revenue	632.6	(72.7)	0	559.9
OPINC	17.4	(20.9)	(37.3)	(40.8)
<b>H1 2018 Cash Flow Statement items</b>	<b>Segment</b>	<b>IFRS 15</b>	<b>NRC*</b>	
<b>In million \$</b>	<b>figures</b>	<b>adjustments</b>	<b>adjustments</b>	<b>IFRS figures</b>
EBITDAs	162.7	(72.7)	(37.3)	52.7
Change in Working Capital & Provisions	8.1	72.7	(15.6)	65.2
Cash Flow from Operations	157.9	0	(65.9)	92.0
<b>Opening Balance Sheet January 1st 2018</b>	<b>Segment</b>	<b>IFRS 15</b>	<b>NRC*</b>	<b>IFRS</b>
<b>In million \$</b>	<b>figures</b>	<b>adjustments</b>	<b>adjustments</b>	<b>figures</b>
MC Data Library NBV	831.2	119.0	0	950.2
Other current liabilities	123.1	130.6	0	253.7
<b>Closing Balance Sheet - June 30th 2018</b>	<b>Segment</b>	<b>IFRS 15</b>	<b>NRC*</b>	<b>IFRS</b>
<b>In million \$</b>	<b>figures</b>	<b>adjustments</b>	<b>adjustments</b>	<b>figures</b>
MC Data Library NBV	869.8	170.8	0	1,040.6



Other current liabilities	94.6	157.5	0	252.1
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\* *Non-recurring charges linked to Transformation Plan and Financial Restructuring*

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**Second Quarter 2018 Financial Results by Operating Segment and before non-recurring charges**
**Geology, Geophysics & Reservoir (GGR)**

<b>GGR</b>	<b>Second Quarter 2017</b>	<b>First Quarter 2018</b>	<b>Second Quarter 2018</b>	<b>Variation Year-on- year</b>	<b>Variation Quarter- to- quarter</b>
<b>In million \$</b>					
<b>Segment revenue</b>	<b>220.7</b>	<b>185.1</b>	<b>203.3</b>	<b>(8)%</b>	<b>10%</b>
<b>Multi-Client</b>	<b>132.7</b>	<b>84.4</b>	<b>110.5</b>	<b>(17)%</b>	<b>31%</b>
<i>Prefunding</i>	73.3	49.2	23.7	(68)%	(52)%
<i>After-Sales</i>	59.4	35.2	86.8	46%	147%
<b>Subsurface Imaging &amp; Reservoir (SIR)</b>	<b>88.0</b>	<b>100.7</b>	<b>92.8</b>	<b>5%</b>	<b>(8)%</b>
<b>Segment EBITDAs</b>	<b>139.3</b>	<b>96.9</b>	<b>116.8</b>	<b>(16)%</b>	<b>21%</b>
<i>Margin</i>	63.1%	52.4%	57.5%	(560) bps	510 bps
<b>Segment operating income</b>	<b>37.3</b>	<b>38.4</b>	<b>64.1</b>	<b>72%</b>	<b>67%</b>
<i>Margin</i>	16.9%	20.7%	31.5%	na	na
Equity from investments	0	(0.5)	(0.3)	na	40%
<b>Capital employed (in billion \$)</b>	<b>2.3</b>	<b>2.2</b>	<b>2.2</b>	<i>na</i>	<i>na</i>
<b>Other key metrics</b>					
<b>Fleet allocated to Multi-Client surveys (%)</b>	<b>48%</b>	<b>44%</b>	<b>39%</b>	<i>na</i>	<i>na</i>
Multi-Client cash capex (\$m)	60.0	62.0	54.2	(10)%	(13)%
Multi-Client cash prefunding rate (%)	122%	79%	44%	na	na

**GGR segment revenue** was \$203 million, down 8% year-on-year.

**Multi-Client revenue** was \$111 million, down 17% year-on-year. Prefunding sales were down 68% year-on-year at \$24 million, impacted by regulatory delays. Fleet was active for offshore multi-client surveys in Mozambique and Brazil. A new acquisition started in the Wolfcamp Shale play, targeting US onshore unconventional. After-sales were strong in most basins, amounting to \$87 million up 46% year-on-year, including North Sea, Brazil and US onshore.

**Subsurface Imaging & Reservoir** revenue was \$93 million, up 5% year-on-year, with a sustained demand for reprocessing and increasing nodes processing. Activity was driven by client reservoir/ production imaging and services. Geographically, market is improving particularly in US Gulf of Mexico and in Asia.

**GGR segment EBITDAs** was \$117 million, a 58% margin.

**GGR segment operating income** was \$64 million, a 32% margin. The multi-client depreciation rate was limited at 36% due to a higher mix of fully depreciated sales, leading to a library Net Book Value of \$870 million at the end of June 2018, split 91% offshore and 9% onshore.

**GGR capital employed** was stable at \$2.2 billion at the end of June 2018.

## Equipment

Equipment	Second Quarter 2017	First Quarter 2018	Second Quarter 2018	Variation Year-on- year	Variation Quarter-to- quarter
<b>In million \$</b>					
<b>Segment revenue</b>	<b>53.0</b>	<b>65.7</b>	<b>82.9</b>	<b>56%</b>	<b>26%</b>
<i>External revenue</i>	47.8	49.2	70.7	48%	44%
<i>Internal revenue</i>	5.2	16.5	12.2	135%	(26)%
<b>Segment EBITDAs</b>	<b>(5.5)</b>	<b>(2.6)</b>	<b>8.6</b>	<b>256%</b>	<b>431%</b>
<i>Margin</i>	(10.4)%	(4.0)%	10.4%	na	na
<b>Segment operating income</b>	<b>(12.6)</b>	<b>(9.9)</b>	<b>1.0</b>	<b>108%</b>	<b>110%</b>
<i>Margin</i>	(23.8)%	(15.1)%	1.2%	na	na
<b>Capital employed</b> (in billion \$)	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	na	na

**Equipment segment revenue** was \$83 million, up 56% year-on-year. External sales were \$71 million, up 48% year-on-year.

Land equipment sales represented 49% of total sales, stable compared to last year, driven in particular by channels deliveries notably in North Africa. The well gauges demand is also accelerating, on the back of unconventional market activity.

Marine equipment sales represented 51% of total sales, stable compared to last year, driven notably by one-off deliveries of Sentinel sections.

**Equipment segment EBITDAs** was \$9 million, a margin of 10%.

**Equipment segment operating income** was \$1 million, a margin of 1%. Higher volumes were the key driver to reaching the breakeven point.

**Equipment capital employed** was stable at \$0.6 billion at the end of June 2018.

**Contractual Data Acquisition**

<b>Contractual Data Acquisition</b> <b>In million \$</b>	<b>Second Quarter 2017</b>	<b>First Quarter 2018</b>	<b>Second Quarter 2018</b>	<b>Variation Year-on- year</b>	<b>Variation Quarter- to- quarter</b>
<b>Segment revenue</b>	<b>82.0</b>	<b>61.3</b>	<b>66.9</b>	<b>(18)%</b>	<b>9%</b>
<i>External revenue</i>	<i>81.3</i>	<i>60.4</i>	<i>63.9</i>	<i>(21)%</i>	<i>6%</i>
<i>Internal revenue</i>	<i>0.7</i>	<i>0.9</i>	<i>3.0</i>	<i>329%</i>	<i>233%</i>
Total Marine Acquisition	60.9	28.9	39.5	(35)%	37%
Total Land and Multi-Physics Acquisition	21.1	32.4	27.4	30%	(15)%
<b>Segment EBITDAs</b>	<b>(0.9)</b>	<b>(25.1)</b>	<b>2.3</b>	<b>356%</b>	<b>109%</b>
<i>Margin</i>	<i>(1.1)%</i>	<i>(40.9)%</i>	<i>3.4%</i>	<i>450 bps</i>	<i>na</i>
<b>Segment operating income</b>	<b>(12.7)</b>	<b>(34.4)</b>	<b>(7.4)</b>	<b>42%</b>	<b>78%</b>
<i>Margin</i>	<i>(15.5)%</i>	<i>(56.1)%</i>	<i>(11.1)%</i>	<i>440 bps</i>	<i>na</i>
Equity from investments	0.3	5.3	3.5	<i>na</i>	<i>(34)%</i>
<b>Capital employed (in billion \$)</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<i>na</i>	<i>na</i>
<b>Other key metrics</b>					
Fleet allocated to contract surveys (%)	52%	56%	61%	<i>na</i>	<i>na</i>
Vessel availability rate (%)	100%	93%	95%	<i>na</i>	<i>na</i>
Vessel production rate (%)	98%	96%	98%	<i>na</i>	<i>na</i>

**Contractual Data Acquisition segment revenue** was \$67 million, down 18% year-on-year. External sales were \$64 million, down 21% year-on-year.

**Marine Contractual Data Acquisition** revenue was \$40 million, down 35% year-on-year.

The year-on-year revenue decrease is explained by the different contract mix this year, while a large contract with high-end multi-source vessel setup was executed in Q2 2017. Two vessels were active in West Africa, one in North Sea and the Endeavour, as previously announced, was returned to her owner at the end of July.

**Land and Multi-Physics** Data Acquisition revenue was \$27 million, up 30% year-on-year. The activity was good for Land in North Africa with three crews in operation. Improving activity for Multi-Physics is driven by the mining industry.

**Contractual Data Acquisition segment EBITDAs** was \$2 million.

**Contractual Data Acquisition segment operating income** was \$(7) million, including \$14 million related to a provision reversal. Contractual Data Acquisition activities continued to experience a competitive market environment.

The equity from investments contribution can mainly be explained by the positive contribution from the ARGAS and SBGS JVs this quarter.

**Contractual Data Acquisition capital employed** was stable at \$0.3 billion at the end of June 2018.



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**Non-Operated Resources**

	Second Quarter 2017	First Quarter 2018	Second Quarter 2018	Variation Year-on- year	Variation Quarter- to- quarter
<b>Non-Operated Resources</b>					
<b>In million \$</b>					
<b>Segment EBITDAs</b>	(2.0)	(7.0)	(5.4)	(170)%	23%
<b>Segment operating income</b>	(5.3)	(7.0)	(5.5)	(4)%	21%
Equity from investments	(2.8)	(3.5)	(2.1)	na	na
<b>Capital employed</b> (in billion \$)	<b>0</b>	<b>0.1</b>	<b>0.1</b>	na	na

The **Non-Operated Resources segment** comprises, in terms of EBITDAs and operating income, the costs relating to non-operated resources.

**Non-Operated Resources segment EBITDAs** was \$(5) million, including the remaining part of the Caribbean restart costs.

**Non-Operated Resources segment operating income** was \$(6) million.

The equity from investments includes the impact of the Global Seismic Shipping (GSS) JV, a 50/50 JV with Eidesvik. Seven vessels were transferred to GSS in Q2 2017 and three are still cold-stacked.

**Non-Operated Resources capital employed** was stable at \$0.1 billion at the end of June 2018.

## Second Quarter 2018 Financial Results

Consolidated Income Statements	Second Quarter 2017	First Quarter 2018	Second Quarter 2018	Variation Year-on- year	Variation Quarter-to- quarter
In million \$					
<i>Exchange rate euro/dollar</i>	1.09	1.22	1.20	na	na
<b>Segment revenue</b>	<b>349.8</b>	<b>294.7</b>	<b>337.9</b>	<b>(3)%</b>	<b>15%</b>
GGR	220.7	185.1	203.3	(8)%	10%
Equipment	53.0	65.7	82.9	56%	26%
Contractual Data Acquisition	82.0	61.3	66.9	(18)%	9%
<i>Elimination</i>	(5.9)	(17.4)	(15.2)	na	na
<b>Gross margin</b>	<b>32.5</b>	<b>18.0</b>	<b>77.7</b>	<b>139%</b>	<b>332%</b>
<b>Segment EBITDAs</b>	<b>120.0</b>	<b>53.0</b>	<b>109.7</b>	<b>(9)%</b>	<b>107%</b>
GGR	139.3	96.9	116.8	(16)%	21%
Equipment	(5.5)	(2.6)	8.6	256%	431%
Contractual Data Acquisition	(0.9)	(25.1)	2.3	356%	109%
Non-Operated Resources	(2.0)	(7.0)	(5.4)	(170)%	23%
Corporate	(8.3)	(8.1)	(10.2)	23%	26%
Eliminations	(2.6)	(1.1)	(2.4)	na	na
<i>NRC before impairment</i>	(94.7)	(33.9)	(3.4)	(96)%	(90)%
<b>Segment operating income</b>	<b>(3.5)</b>	<b>(22.3)</b>	<b>39.7</b>	<b>na</b>	<b>278%</b>
GGR	37.3	38.4	64.1	72%	67%
Equipment	(12.6)	(9.9)	1.0	108%	110%
Contractual Data Acquisition	(12.7)	(34.4)	(7.4)	42%	78%
Non-Operated Resources	(5.3)	(7.0)	(5.5)	(4)%	21%
Corporate	(8.3)	(8.1)	(10.2)	23%	26%
Eliminations	(1.9)	(1.3)	(2.3)	na	na
<i>NRC</i>	(94.7)	(33.9)	(3.4)	(96)%	(90)%
<i>IFRS 15 adjustment</i>	na	(10.9)	(10.0)	na	(8)%
<b>IFRS operating income</b>	<b>(98.2)</b>	<b>(67.1)</b>	<b>26.3</b>	<b>127%</b>	<b>139%</b>
Equity from investments	(2.5)	1.3	1.1	144%	(15)%
Net cost of financial debt	(48.7)	(33.2)	(33.3)	(32)%	(0)%
Other financial income (loss)	0.5	762.8	65.2	na	(91)%
Income taxes	(20.8)	(17.2)	(10.2)	(51)%	(41)%
<b>Net income</b>	<b>(169.7)</b>	<b>646.6</b>	<b>49.1</b>	<b>129%</b>	<b>(92)%</b>
Shareholder's net income	(169.2)	645.2	47.4	na	na
Earnings per share in \$	(3.67)	2.05	0.07	na	na
Earnings per share in	(3.37)	1.68	0.06	na	na

**Segment revenue** was \$338 million, down 3% year-on-year. The respective contributions from the Group's businesses were 60% from GGR, 21% from Equipment and 19% from Contractual Data Acquisition.

**Segment EBITDAs** was \$110 million, a 33% margin.

**Segment operating income** was \$40 million, a 12% margin.

**Non-recurring charges (NRC)** were \$3 million.

**IFRS 15 adjustment** at operating income level was \$10 million.

**IFRS operating income**, after NRC and IFRS 15 adjustment, was \$26 million.



**Equity from investments** contribution was \$1 million this quarter.

**Cost of financial debt** was \$33 million. The total amount of interest paid during the quarter was \$18 million.

**Other financial items** were positive \$65 million, split as such:

\$75 million one-offs mainly linked to positive foreign exchange effect, associated to the shift of EURO/US\$ balance sheet exposure following on one hand, the financial restructuring and on the other hand, the first lien refinancing. EURO/US\$ balance sheet exposure has been drastically reduced by end of June; and,

\$(10) million first lien refinancing costs (on a *prorata temporis* basis, as previously identified in Q1).

**Income taxes** were \$10 million.

**Net income** was \$49 million.

**Net income attributable to the owners of CGG**, after minority interests, was a gain of \$47 million / 43 million.

## Cash Flow

Cash Flow Statements	Second Quarter 2017	First Quarter 2018	Second Quarter 2018	Variation Year-on- year	Variation Quarter- to-quarter
In million \$					
<b>Segment EBITDAs</b>	<b>120.0</b>	<b>53.0</b>	<b>109.7</b>	<b>(9)%</b>	<b>107%</b>
Net tax paid	4.9	(2.9)	(8.3)	(269)%	186%
Segment change in Working Capital & Provisions	(57.4)	31.0	(22.9)	60%	(174)%
Other items	(15.3)	(18.3)	16.6	208%	191%
<b>Segment Operating Cash Flow</b>	<b>52.2</b>	<b>62.8</b>	<b>95.1</b>	<b>82%</b>	<b>51%</b>
Paid cost of debt	(13.5)	(14.1)	(17.7)	31%	26%
<b>Capex (including change in fixed assets payables)</b>	<b>(77.5)</b>	<b>(90.5)</b>	<b>(87.2)</b>	<b>13%</b>	<b>(4)%</b>
Industrial	(9.4)	(20.5)	(24.9)	165%	21%
R&D	(8.1)	(8.0)	(8.1)	0%	1%
Multi-Client (Cash)	(60.0)	(62.0)	(54.2)	(10)%	(13)%
<i>Marine MC</i>	<i>(58.6)</i>	<i>(53.3)</i>	<i>(47.7)</i>	<i>(19)%</i>	<i>(11)%</i>
<i>Land MC</i>	<i>(1.4)</i>	<i>(8.7)</i>	<i>(6.5)</i>	<i>364%</i>	<i>(25)%</i>
Proceeds from disposals of assets	14.9	1.9	0.5	(97)%	(74)%
<b>Segment Free Cash Flow</b>	<b>(23.9)</b>	<b>(39.9)</b>	<b>(9.3)</b>	<b>61%</b>	<b>77%</b>
Cash NRC	(54.3)	(55.7)	(10.2)	(81)%	(82)%
<b>IFRS Free Cash Flow</b>	<b>(78.2)</b>	<b>(95.6)</b>	<b>(19.5)</b>	<b>75%</b>	<b>80%</b>
Specific items	3.5	2.7	(28.2)	(906)%	na
Net proceeds from capital increase	0	127.2	0	na	na
FX Impact and other	(87.4)	1,946.3	(8.9)	90%	(100)%
<b>Change in net debt</b>	<b>(162.1)</b>	<b>1,980.6</b>	<b>(56.6)</b>	<b>65%</b>	<b>(103)%</b>
<b>Net debt</b>	<b>2,497.0</b>	<b>659.3</b>	<b>715.9</b>	<b>(71)%</b>	<b>9%</b>

**Segment Operating Cash Flow** was \$95 million compared to \$52 million for the second quarter of 2017. Including cash Non-Recurring Charges, the IFRS Operating Cash Flow was \$85 million.

**Global capex**, including change in fixed assets payables, was \$87 million, up 13% year-on-year:

**Industrial capex** was \$25 million, up 165% year-on-year

**Research & Development capex** was \$8 million, stable year-on-year

**Multi-client cash capex** was \$54 million, down 10% year-on-year

After the payment of interest expenses and capex, **segment Free Cash Flow** was at \$(9) million compared to \$(24) million for the second quarter of 2017. After cash NRC, IFRS Free Cash Flow was at \$(20) million.

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**First Half 2018 Financial Results**

<b>Consolidated Income Statements</b>	<b>First Half</b>	<b>First Half</b>	<b>Variation</b>
<b>In million \$</b>	<b>2017</b>	<b>2018</b>	<b>Year-on-year</b>
<i>Exchange rate euro/dollar</i>	1.08	1.21	na
<b>Segment revenue</b>	<b>599.2</b>	<b>632.6</b>	<b>6%</b>
GGR	378.7	388.4	3%
Equipment	85.4	148.6	74%
Contractual Data Acquisition	148.5	128.2	(14)%
<i>Elimination</i>	(13.4)	(32.6)	na
<b>Gross margin</b>	<b>6.0</b>	<b>95.7</b>	na
<b>Segment EBITDAs</b>	<b>148.7</b>	<b>162.7</b>	<b>9%</b>
GGR	219.5	213.7	(3)%
Equipment	(14.2)	6.0	142%
Contractual Data Acquisition	(26.1)	(22.8)	13%
Non-Operated Resources	(10.0)	(12.4)	(24)%
Corporate	(16.4)	(18.3)	12%
Eliminations	(4.1)	(3.5)	na
<i>NRC before impairment</i>	(124.4)	(37.3)	(70)%
<b>Segment operating income</b>	<b>(70.7)</b>	<b>17.4</b>	<b>125%</b>
GGR	55.6	102.5	84%
Equipment	(29.0)	(8.9)	69%
Contractual Data Acquisition	(51.3)	(41.8)	19%
Non-Operated Resources	(25.6)	(12.5)	51%
Corporate	(16.4)	(18.3)	12%
Eliminations	(4.0)	(3.6)	na
<i>NRC</i>	(124.4)	(37.3)	(70)%
<i>IFRS 15 adjustment</i>	na	(20.9)	na
<b>IFRS operating income</b>	<b>(195.1)</b>	<b>(40.8)</b>	<b>79%</b>
Equity from investments	0	2.4	na
Net cost of financial debt	(95.5)	(66.5)	(30)%
Other financial income (loss)	(1.1)	828.0	na
Income taxes	(23.1)		