



# 2013: Delivering the Transformation of the New CGG

Passion for Geoscience



# Forward Looking Statements

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*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.*





# Market Trends

Passion for Geoscience

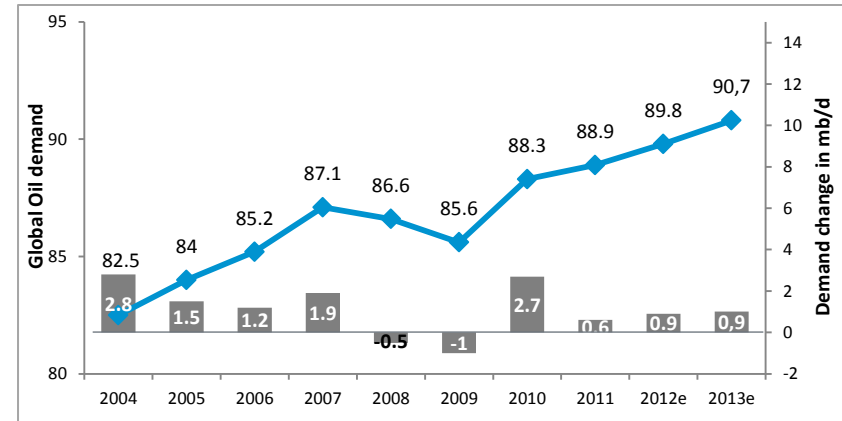


# Market Trends

- E&P: high single digit growth expected, driven by more challenging exploration zones and increased focus on production
- Geology & Geophysics' role becoming critical, with a growing demand for high resolution and reservoir scale seismic
- Extra demand in data content for safer drilling and completion, fracture and stress prediction, characterization of conventional and unconventional reservoirs
- Increasing impact of seismic on production strategies shifting to tight reservoir
- Sustained demand for seismic driven by higher tendering activity and licensing rounds

**Global Oil Demand**

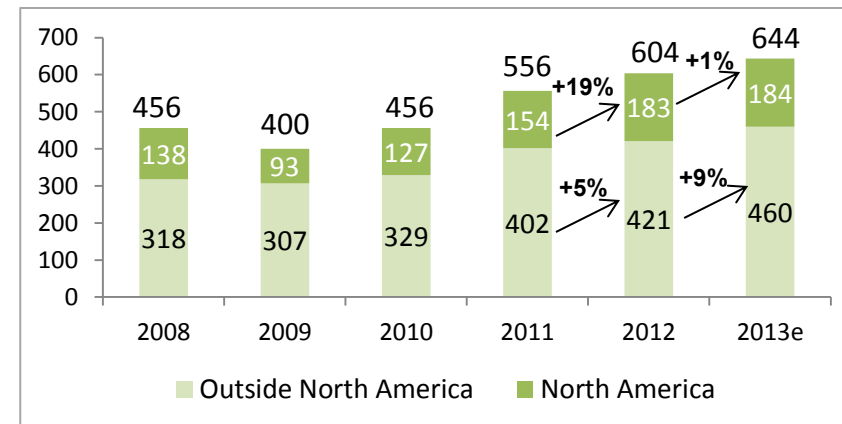
(In million barrel per day)



Source : International Energy Agency - IEA (February 2013)

**Exploration and Production Investment**

(In billion \$)



Source : Barclays Capital , December 2012



# Seismic Equipment Market

## Equipment



~\$ 1.9 B  
2012 Est. market size

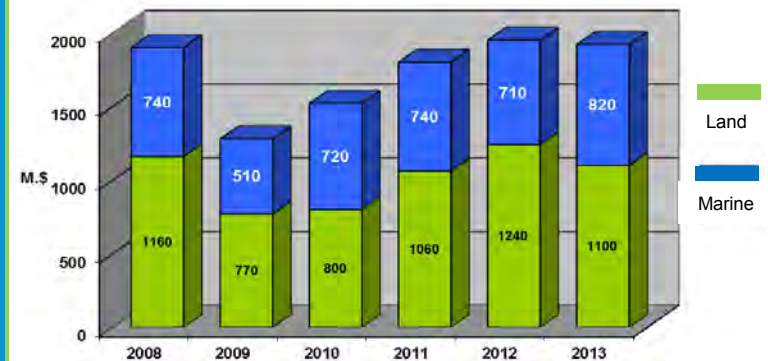
- **Land Equipment**

- ✓ Volume linked to large megacrews projects
- ✓ Progressive shift from land analog systems to digital systems

- **Marine Equipment**

- ✓ Limited number of new builds
- ✓ Replacement market

➤ **Stable market in a year of transition**



# Acquisition Division

## Marine



~\$ 4.8 B  
2012 Est. market size

- Largest high-end seismic fleet
- Broadband benchmark
  - ✓ BroadSeis
  - ✓ BroadSource™
  - ✓ StagSeis™ full-azimuth
  - ✓ 4D seismic solutions
- Gravity & Magnetics

## Land



~\$ 5.3 B\*  
2012 Est. market size

- Expertise in all environments
- Full suite of seismic and non-seismic techniques:
  - ✓ UltraSeis™ broadband
  - ✓ Reservoir Monitoring
  - ✓ EM, Electrical, Gravity and Magnetics methods

## Airborne



~\$ 0.3 B  
2012 Est. market size

- Market leader with comprehensive global offer
  - ✓ Fixed-wing and helicopter platforms
  - ✓ Falcon: Gravity Gradiometry
  - ✓ Gryphon: multi-parameter measurement from single platform



## Fugro & CGG JV



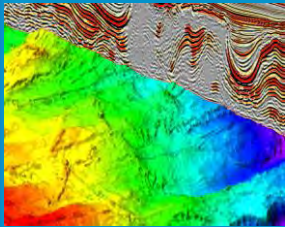
~\$ 1.3 B  
2012 Est. market size

- Market leader in Seabed
- 0 m to 3000 m water depth range
- 2 x 1000+ node OBN crews
- OBC operations (Sercel SeaRay®)
- Dedicated shallow water fleet
- Offshore PRM integrated solution
- Electromagnetics



# Geology, Geophysics & Reservoir Division

## Subsurface Imaging



~\$ 1.5 B

2012 Est. market size

- The most-advanced Processing & Imaging technology
- Unsurpassed local presence & unparalleled service
  - ✓ Over 40 local centers, and 2,200 experts
- R&D and Innovation: over 10% of our staff

## Multi-Client New Ventures

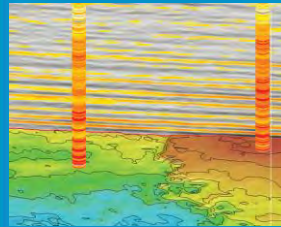


~\$ 4.4 B

2012 Est. market size

- Industry's most recent and technologically advanced data library in key basins
- Delivered data producing many of the latest large discoveries worldwide
- CGG also represents Fugro's worldwide 3D Multi client database

## Geology & Geophysics Software & Services



~\$ 4.0 B

2012 Est. market size

- Leading brands in Seismic Reservoir Characterization
  - ✓ Hampson-Russell
  - ✓ Jason
- Integrating seismic processing with well and production data
- Rock Physics Feasibility and survey design
- Seismic to Simulation services

## Technical Consulting



~\$ 1.2 B

2012 Est. market size

- A leading brand in geological MC products & reports
  - ✓ Robertson
- Onsite analysis and real-time petrophysics
- Sedimentology, Geochemistry, Plate & Basin modeling
- Satellite Mapping and Interpretation
- Development planning and economics

## Data Management



~\$ 0.5 B

2012 Est. market size

- Value-add data conditioning and intelligent storage
- Support enterprise & national-scale data management
- Integration and transition of different formats to digital data



# A Transformed Company





# Our New Organization

## Equipment



Full range of products and clear market leadership Onshore, Offshore and Downhole:

- Technology leadership
- Large installed base
- A cornerstone for CGG integrated solutions

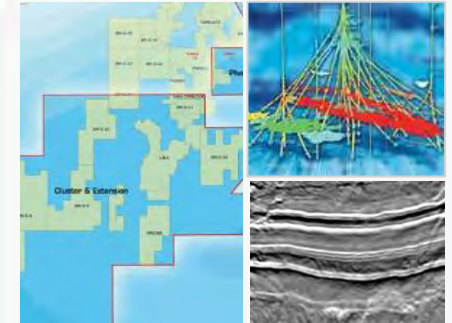
## Acquisition



Full range of seismic and other geophysical methods for acquisition:

- Marine
- Land
- Airborne\*
- *Seabed\*\**

## Geology, Geophysics & Reservoir



- Multi-Client Data Library:
  - Seismic, Grav-Mag, Geological
- Exploration & Appraisal
- Processing & Imaging
- Geological Services
- Satellite Mapping Services
- Reservoir Software & Services
- Data Management Services

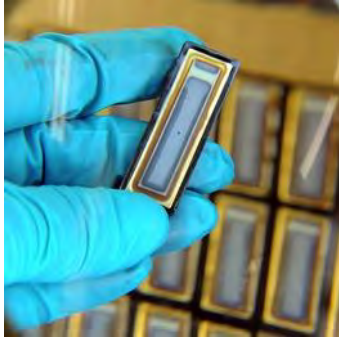
\*Airborne will be integrated once operating licenses and administrative authorizations have been received

\*\*Through the Seabed Geosolutions Joint Venture owned by Fugro 60% and CGG 40%

- 9 800 Employees
- 70 locations worldwide



# Seismic Equipment



# Sercel: A Clear Leader



- A full range of products and clear market leadership offshore, onshore and downhole
- Technology leadership and significant continuous R&D commitment
- Significant installed base and outstanding customer support
- A cornerstone for integrated solutions such as BroadSeis™



- 4 million channels
- 830 Nomad vibrators
- 6,000 km streamers



# Acquisition

- Delivering a full spectrum of geophysical data
- All geophysical methods
- All environments



\*Seabed Geosolutions joint venture is 60%-owned by Fugro

\*\*Airborne will be integrated once operating licenses and administrative authorizations have been received



# Leading High-End Fleet

## HIGH CAPACITY 10-20 streamers



**Oceanic Sirius**  
20 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Oceanic Vega**  
20 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Geo Coral**  
16 Tow Points  
SOLID SEAL SENTINEL  
DIGIFIN



**Geo Caspian**  
16 Tow Points  
SOLID SEAL SENTINEL  
DIGIFIN



**Alizé**  
16 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Oceanic Endeavour**  
16 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Oceanic Phoenix**  
14 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Geo Caribbean**  
14 Tow Points  
SOLID SEAL SENTINEL  
DIGIFIN



**Viking Vision**  
14 Tow Points  
SOLID SEAL SENTINEL  
DIGIFIN



**Oceanic Champion**  
14 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Symphony**  
12 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Geo Celtic**  
12 Tow Points  
SOLID SEAL SENTINEL  
DIGIFIN



**Viking Vanquish**  
12 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Oceanic Challenger**  
12 Tow Points  
SOLID SEAL SENTINEL  
DIGIFIN



**Viking**  
10 Tow Points  
SOLID SEAL SENTINEL  
DIGIFIN



**Geowave Voyager**  
10 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Veritas Vantage**  
10 Tow Points  
SOLID SEAL SENTINEL  
DIGIFIN



**Viking II**  
8 Tow Points  
SOLID SEAL SENTINEL  
NAUTILUS



**Geo Atlantic**  
10 Tow Points  
SOLID SEAL SENTINEL  
DIGIFIN

## VERSATILE 3-8 streamers



**Princess**  
4 Tow Points  
SOLID SEAL SENTINEL



**Pacific Finder**  
4 Tow Points  
SOLID SEAL SENTINEL



**Bergen Surveyor**  
SOURCE



**Venturer**  
SOURCE



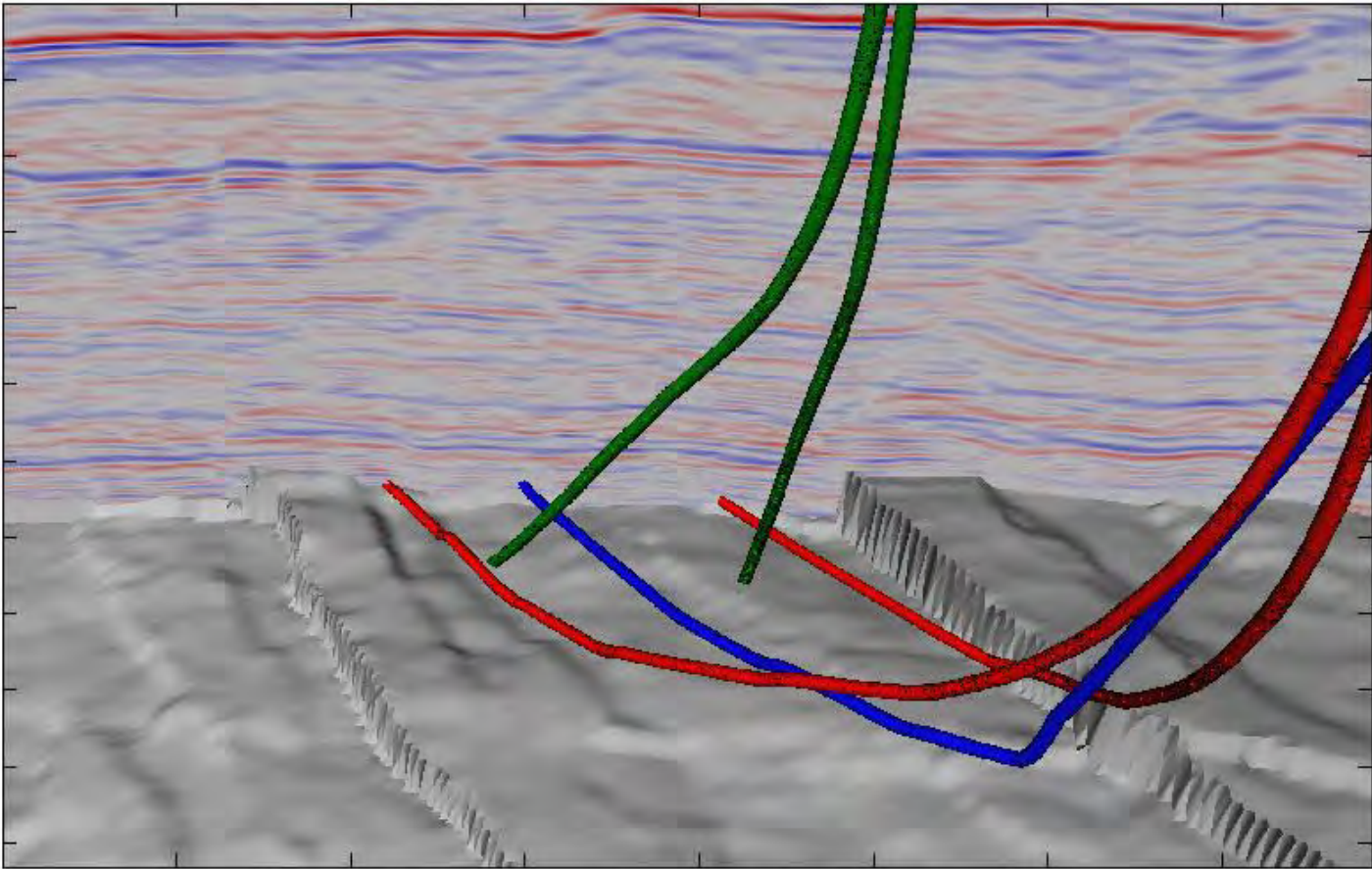
**Geo Barents**  
SOURCE ?

- Increased global footprint
- Increased capability
- Increased Ice-Class
- Improved Age
- Dedicated Source vessels

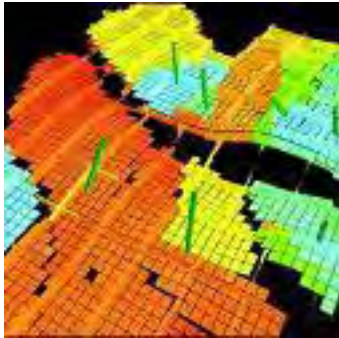
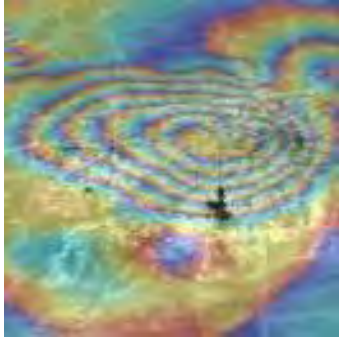
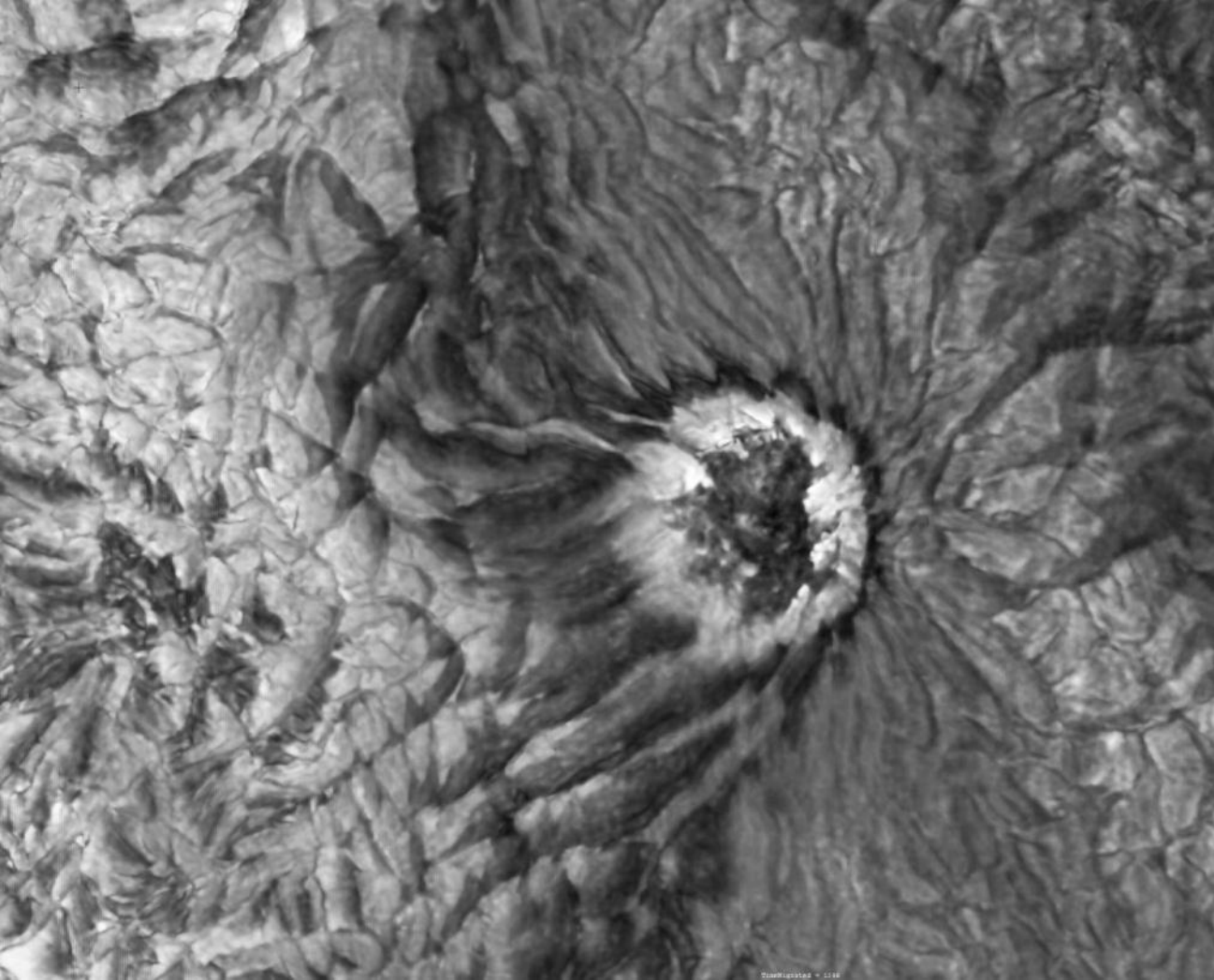


# Movie of steam chamber during 6 months injection

07-Apr-2012



# Geology, Geophysics & Reservoir

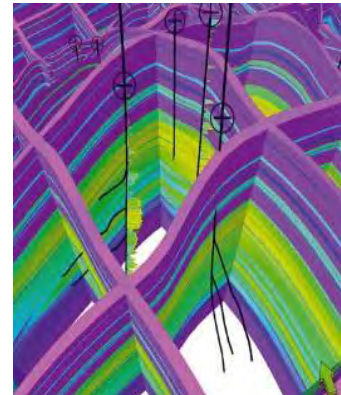
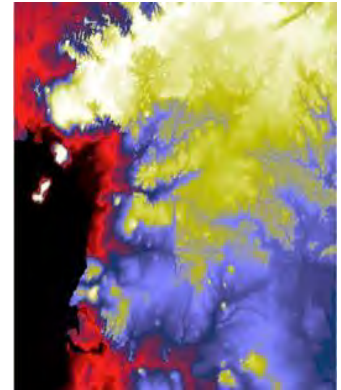


# Geology and Reservoir Engineering

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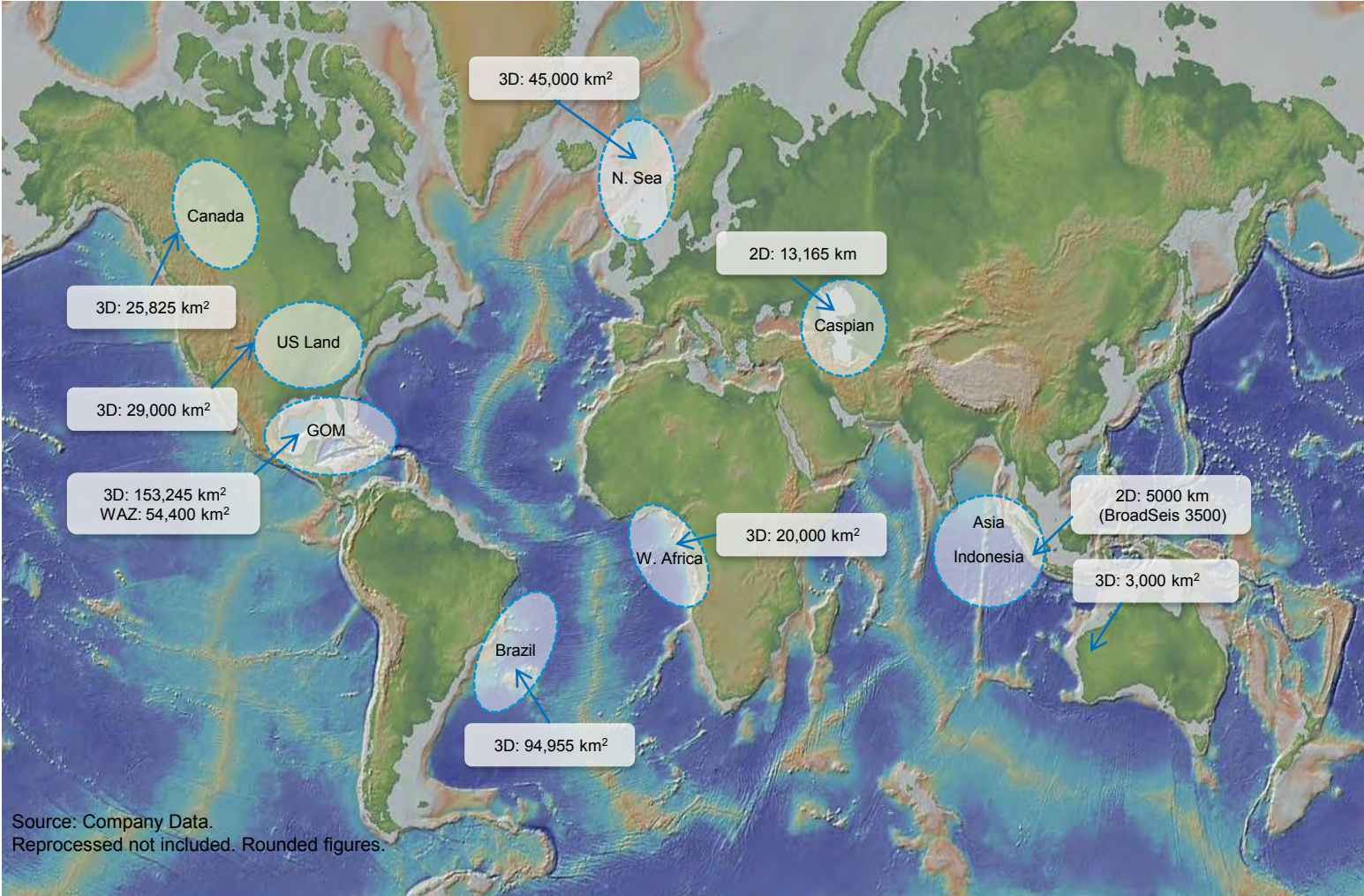
- Robertson consultancy and solutions for exploration through to production
- Acknowledged leader in geological multi-client products and reports
- Onsite analysis and real-time petrophysics
- Comprehensive technical services
  - Sedimentology, Geochemistry and Plate & Basin modeling
- Satellite Mapping and Interpretation
- Static model building, simulation & history matching
- Development planning and economics
- Asset valuation, audit & reserve reporting

**ROBERTSON**  
A CGG Company





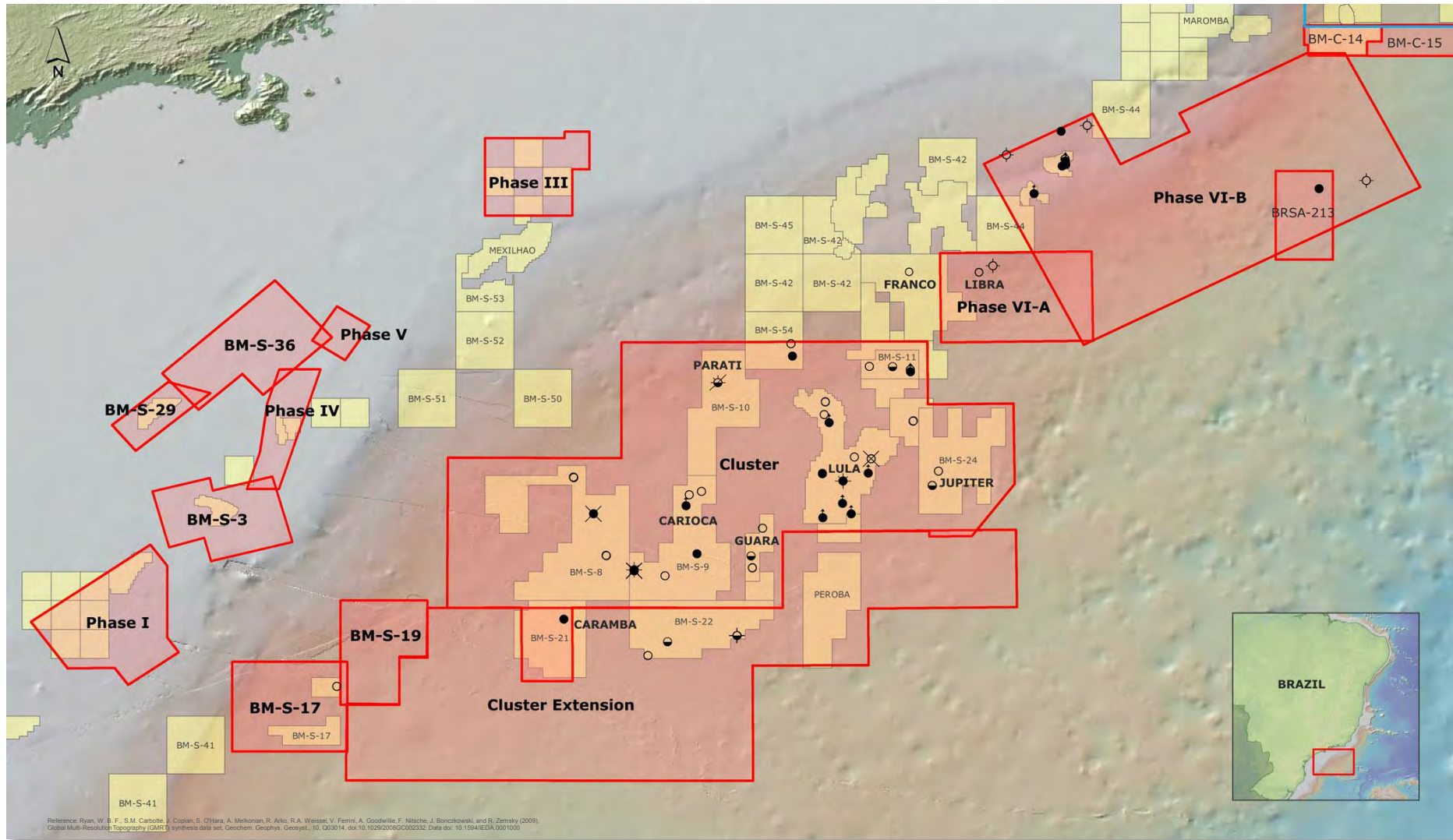
# CGG Global Library: recent and well-positioned



Source: Company Data.  
Reprocessed not included. Rounded figures.

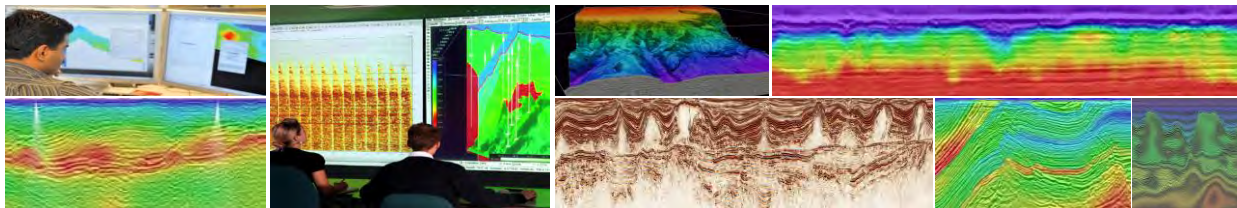
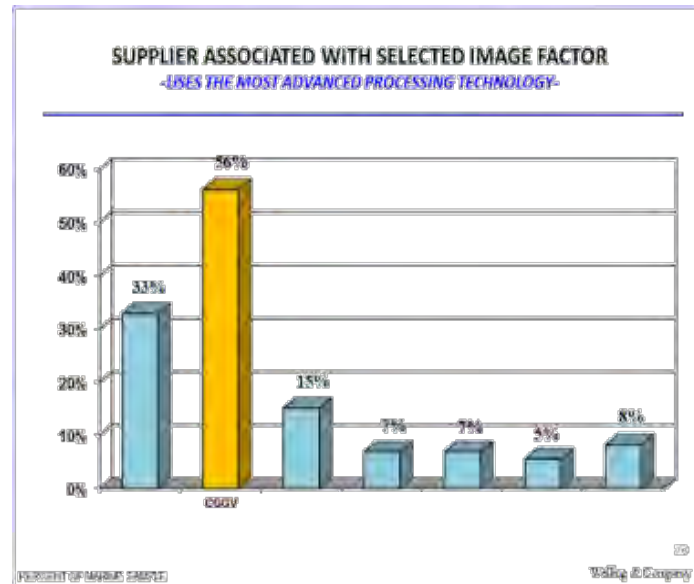
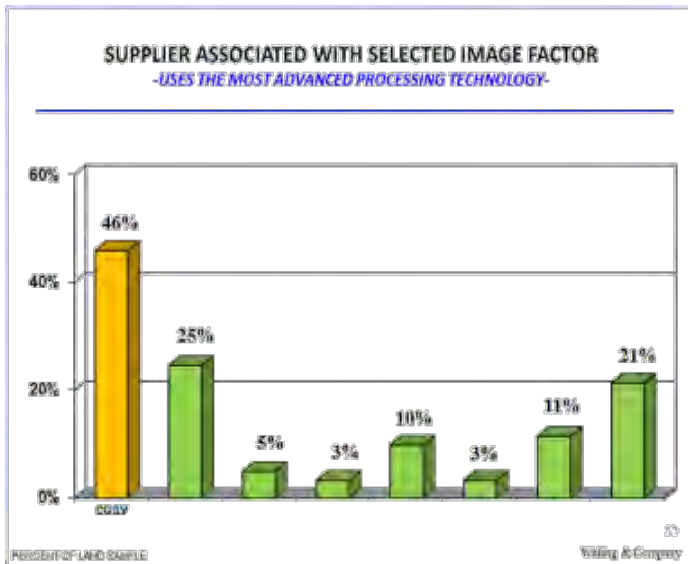


# Santos Basin 69,000 km<sup>2</sup>



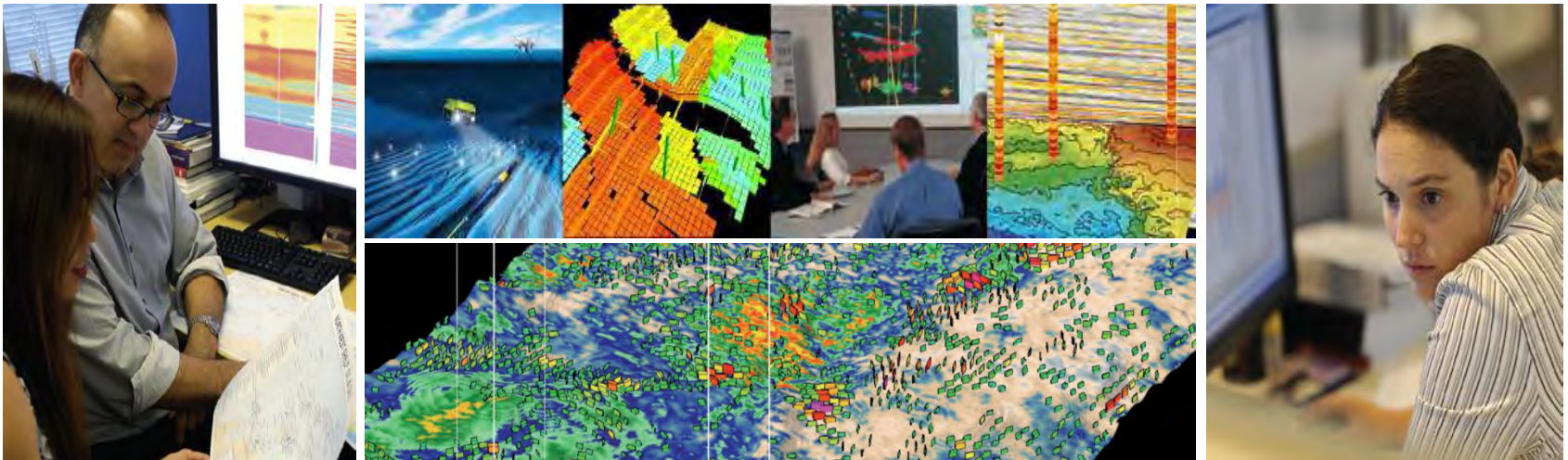
# Processing & Imaging

- The most-advanced technology
- Unsurpassed local presence & unparalleled service
- Over 40 local centers, and 2,200 experts
- R&D and Innovation: over 10% of our staff



# Reservoir Services

- The leading names in Seismic Reservoir Characterization Software & Services
  - Hampson-Russell
  - Jason
- Bringing together petrophysics, modeling and seismic inversion to solve exploration and production challenges
- Seismic to Simulation studies produce accurate and predictive models
- Feasibility and survey design for broadband acquisition solutions



# Data Management Services

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- Transforming Data into Knowledge to accelerate your E&P decisions
- Adding value with intelligent storage & data conditioning
- Supporting enterprise & national-scale data management
- Auditing & Training





# Accelerating the Transformation of the New CGG

Passion for Geoscience



# CGG 2013 Revenue Trends

## Equipment

Total Revenue expected to remain stable in 2013

- Timing of potential large Land projects uncertain
- Marine sales fuelled by the ramp-up of replacement equipment market
- Following 2010-2012 fleet upgrade, lower level of internal sales

## Acquisition

### Marine acquisition

- Combined fleet: 90% booked into Q1, 80% into Q2 and 65% in Q3
- New contracts closed in line with improving market trends
- Targeted baseline for 3D high-end fleet = 14 + 4 C Class additional vessels

### Land acquisition

- Positioning on the high-end market
- Circa 25% reduction in revenue due to the carve out of SWOBS activity to the Seabed Geosolutions JV

### Airborne

- Expected to join CGG in H1

## Geology, Geophysics & Reservoir

### Multi-client

- Multi-client program based on:
  - continuity of IBALT in GoM
  - new basins
  - completion of the Marcellus Land program

### Robertson

- Building global Group cross-fertilization

### Processing & Imaging

- Strong growth expected to continue in 2013

### Reservoir Characterization

- Increasing worldwide activity for software and services

### Data Management

- Growth driven by higher volume of data

# Delivering the Transformation of the New CGG

## Building the New CGG

- A **new organization** and **clear Integration Plan** already in place for full efficiency by end H1
- Maintaining strong **focus on cost base** and **operational** excellence
- Reporting on **EBIT** along with three new business segments as soon as Q1 2013 **to improve visibility** and **externalize value**

## Being The Partner of Choice

- Provide integrated **geoscience solutions** to our customers
- Operate **safely** and with **integrity**
- Strong **R&D** boost to accelerate **innovation** (next generation of products, Broadband, new algorithms, new acquisition concepts, reservoir integrated solutions, ...)
- Reinforce **partnerships** to enter **new markets**

## Increasing Our Return on Capital Employed

- Manage asset and business portfolio to **optimize capital employed**
- Focus on **cash generation**
- Reduce **cost of debt** and **financial leverage**

## Accelerating Growth...

- People, Asset and Expertise differentiation
- Wider and integrated offering
- Strategic positioning on growth markets

## ... while Creating Value

- For our customers and stakeholders
- Sustained & social responsible performance
- Streamlining and financial flexibility





# 2013 Financial Objectives

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In this year of transformation:

- Total Industrial Capex expected to be in the range of \$350 - 400 million
- Multi-clients capex expected to be in the range of \$350 - 400 million with a prefunding rate above 75%

CGG is well positioned to deliver:

- Revenue increase around 25%
- Improved Ebit margin
- Improved Return on Capital Employed



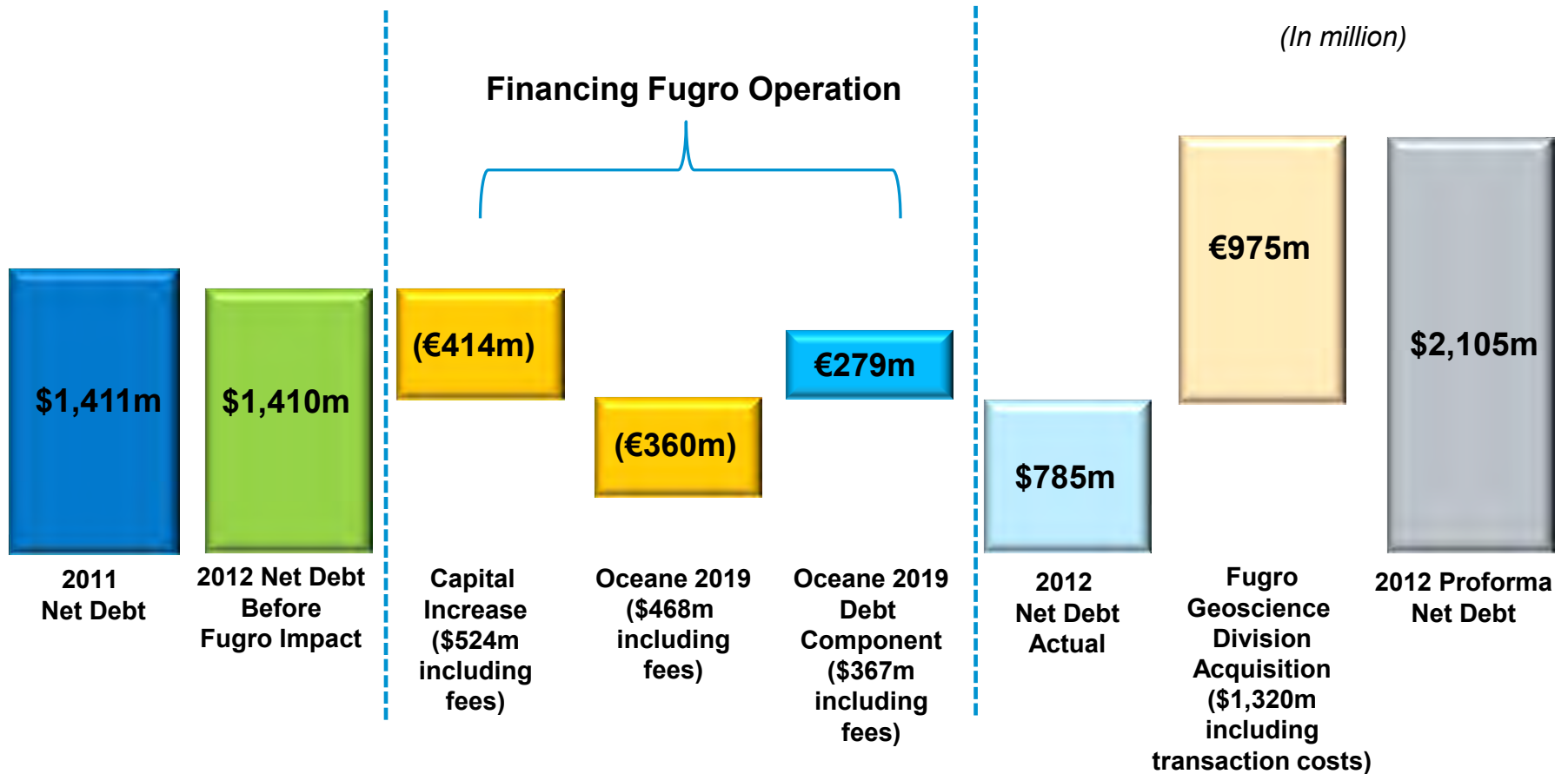


# Thank you

Passion for Geoscience  
[cgg.com](http://cgg.com)



# Net Debt by Year-End 2012



**5.4 years** maturity by Year-end **2012**



**36%** Net Debt/Equity ratio without Fugro

**47%** Proforma Net Debt/Equity ratio



# Balance Sheet: Capital Employed as End of December 2012

