CGG
Form 6-K
December 21, 2015
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UNITED STATES

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 December, 2015

Commission File Number 001-14622

CGG

(Translation of registrant s name into English)

Tour Maine Montparnasse

33, avenue du Maine

75015 Paris

France

(33) 1 64 47 45 00

(Address of principal executive offices)

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

Form 20-F x Form 40-F ¨

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This report on Form 6-K contains CGG s consolidated financial statements as of and for the three months and nine months ended September 30, 2015 as authorized by CGG s audit committee on December 21, 2015 (the Updated Interim Financial Statements). CGG has previously submitted, in a report on Form 6-K dated November 5, 2015 (as subsequently amended by our report on Form 6-K/A submitted to the Securities and Exchange Commission on November 12, 2015), consolidated financial statements as of and for the same date and periods, as authorized by CGG s audit committee on November 2, 2015 (the Original Interim Financial Statements). The Updated Interim Financial Statements differ from the Original Interim Financial Statements only (i) in their date of authorization by CGG s audit committee and (ii) in that the former contain information in note 8 with respect to certain post-closing events that took place after the CGG audit committee approved the Original Interim Financial Statements. Other than these differences, there have been no changes to the Original Interim Financial Statements. The Updated Interim Financial Statements were prepared in connection with the planned share capital increase with preferential subscription rights that CGG has announced previously.

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FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements . We have based these forward-looking statements on our current views and assumptions about future events.

These forward-looking statements involve certain risks and uncertainties. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, the following factors:

- the impact of the current economic and credit environment and oil and natural gas prices;
- the social, political and economic risks of our global operations;
- our ability to integrate successfully the businesses or assets we acquire;
- the risks associated with activities operated through joint ventures in which we hold a minority interest;
- any write-downs of goodwill on our statement of financial position;
- our ability to sell our seismic data library;
- exposure to foreign exchange rate risk;
- our ability to finance our operations on acceptable terms;
- the impact of fluctuations in fuel costs on our marine acquisition business;
- the weight of intra-group production on our results of operations;
- the timely development and acceptance of our new products and services;
- difficulties and costs in protecting intellectual property rights and exposure to infringement claims by others;
- our ability to attract and retain qualified employees;

- ongoing operational risks and our ability to have adequate insurance against such risks;
- the level of capital expenditures by the oil and gas industry and changes in demand for seismic products and services;
- our clients ability to delay or unilaterally terminate certain contracts in our backlog;
- the effects of competition;
- difficulties in adapting our fleet to changes in the seismic market;
- our ability to execute our Transformation Plan;
- high level of fixed costs that are incurred regardless of business activity;
- the seasonal nature of our revenues;
- the costs of compliance with governmental regulation, including environmental, health and safety laws;
- our substantial indebtedness and the restrictive covenants in our debt agreements;
- our ability to access the debt and equity markets during the periods covered by the forward-looking statements, which will depend on general market conditions and on our credit ratings for our debt obligations;
- exposure to interest rate risk; and
- our success at managing the foregoing risks.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur.

Certain of these risks are described in our annual report on Form 20-F for the year ended December 31, 2014 that we filed with the SEC on April 13, 2015, as amended by our Form 20-F/A that we filed with the SEC on July 30, 2015. Our annual report on Form 20-F is available on our website at www.cgg.com or on the website maintained by the SEC at www.sec.gov. You may request a copy of our annual report on Form 20-F, which includes our complete audited financial statements, at no charge, by calling our investor relations department at + 33 1 6447 3831, sending an

electronic message to invrelparis@cgg.com or invrelhouston@cgg.com or writing to CGG Investor Relations Department, Tour Maine Montparnasse 33, avenue du Maine 75015 Paris, France.

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Item 1: FINANCIAL STATEMENTS

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UNAUDITED INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

Amounts in millions of U.S.$, except per share data or unless indicated	Three months ended September 30,		
		2015	2014
Operating revenues		**469.8**	**693.9**
Other income from ordinary activities		0.3	0.3
Total income from ordinary activities		**470.1**	**694.2**
Cost of operations		(404.4)	(570.7)
Gross profit		**65.7**	**123.5**
Research and development expenses, net		(16.9)	(23.9)
Marketing and selling expenses		(19.2)	(26.7)
General and administrative expenses		(23.4)	(34.7)
Other revenues (expenses), net		(969.3)	(51.9)
Operating income		**(963.1)**	**(13.7)**
Expenses related to financial debt		(44.2)	(45.2)
Income provided by cash and cash equivalents		0.4	0.4
Cost of financial debt, net		**(43.8)**	**(44.8)**
Other financial income (loss)		(5.9)	(4.8)
Income (loss) of consolidated companies before income taxes		**(1,012.8)**	**(63.3)**
Deferred taxes on currency translation		(0.6)	(9.1)
Other income taxes		(71.8)	(33.4)
Total income taxes		**(72.4)**	**(42.5)**
Net income (loss) from consolidated companies		**(1,085.2)**	**(105.8)**
Share of income (loss) in companies accounted for under equity method		10.8	(10.2)
Net income (loss)		**(1,074.4)**	**(116.0)**
Attributable to :			
Owners of CGG SA	$	(1,074.4)	(118.1)
Owners of CGG SA [1]		(958.8)	(86.7)
Non-controlling interests	$		2.1
Weighted average number of shares outstanding		177,065,192	177,065,192
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	177,065,192
Net income (loss) per share			
Basic	$	(6.07)	(0.67)
Basic [1]		(5.41)	(0.50)
Diluted	$	(6.07)	(0.67)
Diluted [1]		(5.41)	(0.50)

(1) Corresponding to the nine months amount in euros less the half-year 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.

See notes to Interim Consolidated Financial Statements

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UNAUDITED INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

Amounts in millions of U.S.$, except per share data or unless indicated		**Nine months ended September 30, 2015**	**2014**
Operating revenues		**1,511.9**	**2,189.2**
Other income from ordinary activities		1.1	1.2
Total income from ordinary activities		**1,513.0**	**2,190.4**
Cost of operations		(1,318.1)	(1,800.9)
Gross profit		**194.9**	**389.5**
Research and development expenses, net		(64.4)	(77.9)
Marketing and selling expenses		(65.0)	(86.4)
General and administrative expenses		(73.4)	(113.9)
Other revenues (expenses), net		(984.1)	(276.4)
Operating income		**(992.0)**	**(165.1)**
Expenses related to financial debt		(134.8)	(156.1)
Income provided by cash and cash equivalents		1.4	1.3
Cost of financial debt, net		**(133.4)**	**(154.8)**
Other financial income (loss)		(9.5)	(49.2)
Income (loss) of consolidated companies before income taxes		**(1,134.9)**	**(369.1)**
Deferred taxes on currency translation		(1.8)	(13.3)
Other income taxes		(80.1)	(57.3)
Total income taxes		**(81.9)**	**(70.6)**
Net income (loss) from consolidated companies		**(1,216.8)**	**(439.7)**
Share of income (loss) in companies accounted for under equity method		27.0	(39.9)
Net income (loss)		**(1,189.8)**	**(479.6)**
Attributable to :			
Owners of CGG SA	$	(1,191.4)	(485.0)
Owners of CGG SA [1]		(1,062.7)	(356.1)
Non-controlling interests	$	1.6	5.4
Weighted average number of shares outstanding		177,065,192	176,958,659
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	176,958,659
Net income (loss) per share			
Basic	$	(6.73)	(2.74)
Basic [1]		(6.00)	(2.01)
Diluted	$	(6.73)	(2.74)
Diluted [1]		(6.00)	(2.01)

(1)

Converted at the average exchange rate of U.S.$1.1211 and U.S.$1.3618 per for the periods ended September 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.*

See notes to Interim Consolidated Financial Statements

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UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

Amounts in millions of U.S.$	**Nine months ended September 30, 2015**	**2014**
Net income (loss) from statements of operations	**(1,189.8)**	**(479.6)**
Other comprehensive income to be reclassified in profit (loss) in subsequent period:		
Gain (loss) on cash flow hedges	0.9	(2.0)
Income taxes	(0.3)	0.7
Net gain (loss) on cash flow hedges	**0.6**	**(1.3)**
Gain (loss) on available-for-sale financial assets	(0.7)	
Income taxes		
Net gain (loss) on available-for-sale financial assets	**(0.7)**	
Exchange differences on translation of foreign operations	**(14.9)**	**(43.9)**
Net other comprehensive income to be reclassified in profit (loss) in subsequent period (1)	**(15.0)**	**(45.2)**
Other comprehensive income not to be classified in profit (loss) in subsequent period:		
Gain (loss) on actuarial changes on pension plan	(5.8)	(0.5)
Income taxes	2.0	0.2
Net gain (loss) on actuarial changes on pension plan	**(3.8)**	**(0.3)**
Net other comprehensive income not to be reclassified in profit (loss) in subsequent period (2)	**(3.8)**	**(0.3)**
Total other comprehensive income (loss) for the period, net of taxes (1) + (2)	**(18.8)**	**(45.5)**
Total comprehensive income (loss) for the period	**(1,208.6)**	**(525.1)**
Attributable to :		
Owners of CGG SA	*(1,208.1)*	*(530.1)*
Non-controlling interests	*(0.5)*	*5.0*

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in millions of U.S.$, unless indicated	September 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Cash and cash equivalents	335.4	359.1
Trade accounts and notes receivable, net	689.2	942.5
Inventories and work-in-progress, net	364.4	417.3
Income tax assets	115.1	145.9
Other current assets, net	93.8	126.5
Assets held for sale, net	36.5	38.3
Total current assets	**1,634.4**	**2,029.6**
Deferred tax assets	55.7	98.2
Investments and other financial assets, net	160.1	141.8
Investments in companies under equity method	166.0	137.7
Property, plant and equipment, net	947.0	1,238.2
Intangible assets, net	1,415.5	1,373.8
Goodwill, net	1,230.9	2,041.7
Total non-current assets	**3,975.2**	**5,031.4**
TOTAL ASSETS	**5,609.6**	**7,061.0**
LIABILITIES AND EQUITY		
Bank overdrafts	0.9	2.9
Current portion of financial debt	84.6	75.7
Trade accounts and notes payable	294.5	444.2
Accrued payroll costs	161.4	222.5
Income taxes liability payable	37.4	72.2
Advance billings to customers	55.4	54.4
Provisions current portion	92.2	106.0
Other current liabilities	120.5	231.8
Total current liabilities	**846.9**	**1,209.7**
Deferred tax liabilities	189.9	153.8
Provisions non-current portion	168.5	220.3
Non-current portion of financial debt	2,787.6	2,700.3
Other non-current liabilities	20.5	30.7
Total non-current liabilities	**3,166.5**	**3,105.1**
Common stock 279,621,151 shares authorized and 177,065,192 shares with a 0.40 nominal value issued and outstanding at September 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	1,185.5	562.0
Other reserves	120.4	64.7
Treasury shares	(20.6)	(20.6)
Net income (loss) for the period attributable to owners of CGG SA	(1,191.4)	(1,154.4)
Cumulative income and expense recognized directly in equity	(7.0)	(7.6)

Cumulative translation adjustment	(37.8)	(24.3)
Equity attributable to owners of CGG SA	**1,551.6**	**2,693.0**
Non-controlling interests	44.6	53.2
Total equity	**1,596.2**	**2,746.2**
TOTAL LIABILITIES AND EQUITY	**5,609.6**	**7,061.0**

See notes to Interim Consolidated Financial Statements

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UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in millions of U.S.$	**Nine months ended September 30, 2015**	**2014**
OPERATING		
Net income (loss)	(1,189.8)	(479.6)
Depreciation and amortization	1,216.5	467.7
Multi-client surveys depreciation and amortization	177.4	283.5
Depreciation and amortization capitalized to multi-client surveys	(61.7)	(106.0)
Variance on provisions	(55.5)	56.8
Stock based compensation expenses	1.5	6.4
Net gain (loss) on disposal of fixed assets	(0.8)	(5.2)
Equity income (loss) of investees	(27.0)	39.9
Dividends received from affiliates	5.1	30.7
Other non-cash items	(7.3)	46.7
Net cash including net cost of financial debt and income tax	**58.4**	**340.9**
Add back net cost of financial debt	133.4	154.8
Add back income tax expense	81.9	70.6
Net cash excluding net cost of financial debt and income tax	**273.7**	**566.3**
Income tax paid	(17.7)	(32.9)
Net cash before changes in working capital	**256.0**	**533.4**
- change in trade accounts and notes receivable	171.0	105.7
- change in inventories and work-in-progress	27.8	39.6
- change in other current assets	47.0	(3.8)
- change in trade accounts and notes payable	(137.3)	(86.0)
- change in other current liabilities	(86.5)	(84.2)
Impact of changes in exchange rate on financial items	12.0	12.1
Net cash provided by operating activities	**290.0**	**516.8**
INVESTING		
Capital expenditures (including variation of fixed assets suppliers, excluding multi-client surveys)	(112.8)	(239.2)
Investment in multi-client surveys, net cash	(218.4)	(482.1)
Proceeds from disposals of tangible and intangible assets	9.7	4.3
Total net proceeds from financial assets	4.4	1.2
Acquisition of investments, net of cash and cash equivalents acquired	(19.3)	(8.1)
Impact of changes in consolidation scope		
Variation in loans granted	(21.6)	(4.0)
Variation in subsidies for capital expenditures	(0.6)	
Variation in other non-current financial assets	3.1	(1.8)
Net cash used in investing activities	**(355.5)**	**(729.7)**
FINANCING		
Repayment of long-term debts	(222.1)	(1,148.7)
Total issuance of long-term debts	396.3	1,251.8

Lease repayments	(6.1)	(6.6)
Change in short-term loans	(1.9)	(2.3)
Financial expenses paid	(101.4)	(89.1)
Net proceeds from capital increase		
- from shareholders		0.1
- from non-controlling interests of integrated companies		
Dividends paid and share capital reimbursements		
- 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	**57.3**	**(30.3)**
Effects of exchange rates on cash	(15.5)	(4.8)
Impact of changes in consolidation scope		(30.0)
Net increase (decrease) in cash and cash equivalents	**(23.7)**	**(278.0)**
Cash and cash equivalents at beginning of year	**359.1**	**530.0**
Cash and cash equivalents at end of period	**335.4**	**252.0**

See notes to Interim Consolidated Financial Statements

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in millions of U.S.$, except share data	Number of Shares issued	Share capital	Additional paid-in capital	Retained earnings	Other reserves	Treasury shares	Income and expense recognized directly in equity	Cumulative translation adjustment	Equity attributable to owners of CGG SA	Non-controlling interests	Total equity
Balance at January 1, 2014	***176,890,866***	**92.7**	**3,180.4**	**575.1**	**(46.1)**	**(20.6)**	**(7.6)**	**26.0**	**3,799.9**	**90.2**	**3,890.1**
Net gain (loss) on actuarial changes on pension plan (1)				(0.3)					(0.3)		**(0.3)**
Net gain (loss) on cash flow hedges (2)							(1.3)		(1.3)		**(1.3)**
Exchange differences on foreign currency translation (3)							0.8	(44.3)	(43.5)	(0.4)	**(43.9)**
Other comprehensive income (1)+(2)+(3)				**(0.3)**			**(0.5)**	**(44.3)**	**(45.1)**	**(0.4)**	**(45.5)**
Net income (4)				(485.0)					(485.0)	5.4	**(479.6)**
Comprehensive income (1)+(2)+(3)+(4)				**(485.3)**				**(44.3)**	**(530.1)**	**5.0**	**(525.1)**
Capital increase	*174,326*	0.1		(0.1)							
Dividends										(7.5)	**(7.5)**
Cost of share-based payment				6.4					6.4		**6.4**
Exchange differences on foreign currency translation generated by the parent company					73.9				73.9		**73.9**
Reimbursement of convertible bonds,				(16.1)					(16.1)		**(16.1)**

net of tax											
Changes in consolidation scope and other				0.9					0.9	(18.5)	**(17.6)**
Balance at September 30, 2014	***177,065,192***	**92.8**	**3,180.4**	**80.9**	**27.8**	**(20.6)**	**(8.1)**	**(18.3)**	**3,334.9**	**69.2**	**3,404.1**

Amounts in millions of U.S.$, except share data	**Number of Shares issued**	**Share capital**	**Additional paid-in capital**	**Retained earnings**	**Other reserves**	**Treasury shares**	**Income and expense recognized directly in equity**	**Cumulative translation adjustment**	**Equity attributable to owners of CGG SA**	**Non-controlling interests**	**Total equity**
Balance at January 1, 2015	***177,065,192***	**92.8**	**3,180.4**	**(592.4)**	**64.7**	**(20.6)**	**(7.6)**	**(24.3)**	**2,693.0**	**53.2**	**2,746.2**
Net gain (loss) on actuarial changes on pension plan (1)				(3.8)					(3.8)		**(3.8)**
Net gain (loss) on cash flow hedges (2)							0.6		0.6		**0.6**
Net gain (loss) on available-for-sale financial assets (3)							(0.7)		(0.7)		**(0.7)**
Exchange differences on foreign currency translation (4)							0.7	(13.5)	(12.8)	(2.1)	**(14.9)**
Other comprehensive income (1)+(2)+(3)+(4)				**(3.8)**			**0.6**	**(13.5)**	**(16.7)**	**(2.1)**	**(18.8)**
Net income (5)				(1,191.4)					(1,191.4)	1.6	**(1,189.8)**
Comprehensive income (1)+(2)+(3)+(4)+(5)				**(1,195.2)**			**0.6**	**(13.5)**	**(1,208.1)**	**(0.5)**	**(1,208.6)**
Dividends										(7.5)	**(7.5)**
Cost of share-based payment				1.9					1.9		**1.9**
Exchange differences on foreign currency translation generated by the parent company					55.7				55.7		**55.7**

Public exchange offer of convertible bonds, net of tax				8.5					8.5		**8.5**
Transfer to retained earnings of the parent company			(1,770.7)	1,770.7							
Changes in consolidation scope and other				0.6					0.6	(0.6)	
Balance at September 30, 2015	***177,065,192***	**92.8**	**1,409.7**	**(5.9)**	**120.4**	**(20.6)**	**(7.0)**	**(37.8)**	**1,551.6**	**44.6**	**1,596.2**

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NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CGG S.A. (the Company), along with its subsidiaries (together, the Group) is a global participant in the geophysical and geological services industry, providing a wide range of data acquisition, processing and interpretation services as well as related imaging and interpretation software to clients in the oil and gas exploration and production business. It is also a global manufacturer of geophysical equipment.

Given that the Company is listed on a European Stock Exchange and pursuant to European regulation n°1606/2002 dated July 19, 2002, the accompanying interim condensed consolidated financial statements have been prepared in accordance with IAS34 as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

These interim condensed consolidated financial statements have been authorized by the Audit Committee on December 21, 2015 for issue.

The interim condensed consolidated financial statements are presented in U.S. dollars and have been prepared on a historical cost basis, except for certain financial assets and liabilities that have been measured at fair value.

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates due to the change in economic conditions, changes in laws and regulations, changes in strategy and the inherent imprecision associated with the use of estimates.

Critical accounting policies

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group s annual financial statements as of and for the year ended December 31, 2014 included in its report on Form 20-F for the year 2014 filed with the SEC on April 13, 2015.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group s annual financial statements for the year ended December 31, 2014, except for the adoption of the following new Standards and Interpretations:

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- Annual Improvements (2010-2012)
- Annual Improvements (2011-2013)

The adoption of these Standards and Interpretations had no impact on the Group s interim financial statements.

At the date of issuance of these consolidated financial statements, the following Standards and Interpretations were issued but not yet adopted by the European Union and were thus not effective:

- IFRS 9 Financial instrument classification and valuation of financial assets
- Annual improvements (2012-2014)
- Amendment to IFRS 11 - Acquisition of an interest in a joint operation
- Amendments to IAS 16 & IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization
- IFRS 15 - Revenue from Contracts with Customers
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Disclosure initiative

We are currently reviewing these standards and interpretations to measure their potential impact on our consolidated financial statements.

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Use of judgment and estimates

Key judgments and estimates used in the financial statements are summarized in the following table:

Judgments and estimates	Key assumptions
Fair value of assets and liabilities acquired through purchase price allocation	Pattern used to determine the fair value of assets and liabilities
Recoverability of client receivables	Assessment of clients credit default risk
Valuation of investments	Financial assets fair value Equity method companies fair value
Amortization and impairment of multi-client surveys	Expected margin rate for each category of surveys Expected useful life of multi-client surveys
Depreciation and amortization of tangible and intangible assets	Assets useful lives
Recoverable value of goodwill and intangible assets	Expected geophysical market trends Discount rate (WACC)
Post-employment benefits	Discount rate Participation rate to post employment benefit plans Inflation rate
Provisions for restructuring and onerous contracts	Assessment of future costs related to restructuring plans and onerous contracts
Provisions for risks, claims and litigations	Assessment of risks considering court rulings and attorney s positions
Revenue recognition	Contract completion rates Assessment of fair value of customer loyalty programs Assessment of fair value of contracts identifiable parts
Development costs	Assessment of future benefits of each project
Deferred tax assets	Hypothesis supporting the achievement of future taxable benefits

Operating revenues

Operating revenues are recognized when they can be measured reliably, and when it is likely that the economic benefits associated with the transaction will flow to the entity, which is at the point that such revenues have been realized or are considered realizable.

Multi-client surveys

Revenues related to multi-client surveys result from (i) pre-commitments and (ii) licenses after completion of the surveys (after-sales).

Pre-commitments generally, we obtain commitments from a limited number of customers before a seismic project is completed. These pre-commitments cover part or all of the survey area blocks. In return for the commitment, the customer typically gains the right to direct or influence the project specifications, advance access to data as it is being acquired, and favorable pricing. We record payments that we receive during periods of mobilization as advance billing in the statement of financial position in the line item Advance billings to customers .

We recognize pre-commitments as revenue when production has started based on the physical progress of the project, as services are rendered.

After sales generally, we grant a license entitling non-exclusive access to a complete and ready for use, specifically defined portion of our multi-client data library in exchange for a fixed and determinable payment. We recognize after sales revenue upon the client executing a valid license agreement and being granted access to the data.

In case after sales agreements contain multiple deliverable elements, the revenue is allocated to the various elements based on specific objective evidence of fair value, regardless of any separate allocations stated within the contract for each element. Each element is appropriately accounted for under the applicable accounting standard.

After sales volume agreements we enter into a customer arrangement in which we agree to grant licenses to the customer for access to a specified number of blocks of the multi-client library. These arrangements typically enable the customer to select and access the specific blocks for a limited period of time. We recognize revenue when the blocks are selected and the client has been granted access to the data and if the corresponding revenue can be reliably estimated.

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Exclusive surveys

In exclusive surveys, we perform seismic services (acquisition and processing) for a specific customer. We recognize proprietary/contract revenues as the services are rendered. We evaluate the progress to date, in a manner generally consistent with the physical progress of the project, and recognize revenues based on the ratio of the project cost incurred during that period to the total estimated project costs as far as they can reliably be assessed.

The billings and the costs related to the transit of seismic vessels at the beginning of the survey are deferred and recognized over the duration of the contract by reference to the technical stage of completion.

In some exclusive survey contracts and a limited number of multi-client survey contracts, we are required to meet certain milestones. We defer recognition of revenue on such contracts until all milestones that provide the customer a right of cancellation or refund of amounts paid have been met.

Equipment sales

We recognize revenues on equipment sales upon delivery to the customer when risks and rewards are fully transferred. Any advance billings to customers are recorded in current liabilities.

Software and hardware sales

We recognize revenues from the sale of software and hardware products following acceptance of the product by the customer at which time we have no further significant vendor obligations remaining. Any advance billings to customers are recorded in current liabilities.

If an arrangement to deliver software, either alone or together with other products or services, requires significant production, modification, or customization of software, the entire arrangement is accounted for as a production-type contract, i.e. using the percentage of completion method.

If the software arrangement provides for multiple deliverables (e.g. upgrades or enhancements, post-contract customer support such as maintenance, or services), the revenue is allocated to the various elements based on specific objective evidence of fair value, regardless of any separate allocations stated within the contract for each element. Each element is appropriately accounted for under the applicable accounting standard.

Maintenance revenues consist primarily of post contract customer support agreements and are recorded as advance billings to customers and recognized as revenue on a proportional performance basis over the contract period.

Other geophysical sales/services

Revenues from our other geophysical sales/services are recognized as the services are performed and, when related to long-term contracts, using the proportional performance method of recognizing revenues.

Customer loyalty programs

We may grant award credits to our main clients. These award credits are contractually based on cumulative services provided during the calendar year and attributable to future services.

These credits are considered as a separate component of the initial sale and measured at their fair value by reference to the contractual rates and the forecasted cumulative revenues for the calendar year. These proceeds are recognized as revenue only when the obligation has been fulfilled.

Multi-client surveys

Multi-client surveys consist of seismic surveys to be licensed to customers on a non-exclusive basis. All costs incurred in acquiring, processing and otherwise completing seismic surveys are capitalized into the multi-client surveys (including transit costs when applicable). The value of our multi-client library is stated on our statement of financial position at the aggregate of those costs less accumulated amortization or at fair value if lower. We review the library for potential impairment at each statement of financial position date at the relevant level (independent surveys or groups of surveys).

Multi-client surveys are classified into a same category when they are located in the same area with the same estimated sales ratio, such estimates generally relying on the historical patterns.

We amortize the multi-client surveys over the period during which the data is expected to be marketed using an amortization rate applied to recognized revenues.

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Depending on the category of the survey, we generally use amortization rates from 50% to 80 % corresponding to the ratio of total estimated costs over total estimated sales, unless specific indications lead to apply a different rate.

For all categories of surveys, starting from data delivery, a minimum straight-line depreciation scheme is applied over a five-year to seven-year period, if total accumulated depreciation from the applicable amortization rate is below this equivalent minimum level.

Development costs

Expenditures on research activities undertaken with the prospect of gaining new scientific or technological knowledge and understanding are recognized in the income statement as expenses as incurred and are presented as Research and development expenses net . Expenditures on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if:

- the project is clearly defined, and costs are separately identified and reliably measured,
- the product or process is technically and commercially feasible,
- we have sufficient resources to complete development, and
- the intangible asset is likely to generate future economic benefits, either because it is useful to us or through an existing market for the intangible asset itself or for its products.

The expenditures capitalized include the cost of materials, direct labor and an appropriate proportion of overhead. Other development expenditures are recognized in the income statement as expenses as incurred and are presented as Research and development expenses net .

Capitalized development expenditures are stated at cost less accumulated amortization and impairment losses.

Capitalized developments costs are amortized over 5 years.

Research and development expenses in our income statement represent the net cost of development costs that are not capitalized, of research costs, offset by government grants acquired for research and development.

Convertible debt

- The Company recognizes separately the components of convertible debt as respectively a financial liability and an option to the holder of the instrument to convert it into an equity instrument of the company.
- The Company first determines the carrying amount of the liability component by measuring the fair value of a similar liability (including any embedded non-equity derivative features) that does not have an associated

equity component.

The carrying amount of the equity instrument represented by the option to convert the instrument into ordinary shares is then determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole. The carrying amount is presented net of associated deferred taxes.

The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole.

NOTE 2 ACQUISITIONS AND DIVESTITURES

Agreement Geokinetics

On September 30, 2014 CGG sold its North American land contract assets and activities to Geokinetics against a minority equity stake in this company. Our stake in Geokinetics has been presented as a non-consolidated investment in our balance sheet since that date and is measured at its fair value.

The net impact arising from this transaction in our consolidated statement of operations was not significant for the nine months ended September 30, 2014.

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NOTE 3 GOODWILL

Analysis of goodwill is as follows:

Amounts in millions of U.S.$	September 30, 2015	December 31, 2014	December 31, 2013
Balance at beginning of period	**2,041.7**	**2,483.2**	**2,415.5**
Additions	1.9		721.6
Impairment	(803.8)	(415.0)	(640.0)
Reclassification to Assets held for sale		(13.7)	(13.0)
Change in exchange rates	(8.9)	(12.8)	(0.9)
Balance at end of period	**1,230.9**	**2,041.7**	**2,483.2**

Taking into account the long cyclical trough the seismic market is going through, as evidenced during the summer of 2015, the updated bearish forward view on the price of the barrel of oil and the communications of oil and gas majors, CGG has decided on a drastic reduction of its marine fleet down to 5 vessels and the implementation of new adaptation measures throughout the Group. Going forward, the downsized CGG fleet would be dedicated on average two-thirds to multi-client surveys and only one-third to shoot exclusive surveys. The Multi-client CGU includes the marine costs, industrial capital expenditures and capital employed related to multi-client production.

While we usually perform our impairment tests as of December 31, the closing of our financial year, the changes mentioned above constitute a triggering factor leading us to revise our financial forecasts and reassess the recoverable value of our assets as of September 30, 2015. As of September 30, 2015, we recognized an impairment of goodwill of U.S.$804 million.

We recognized an impairment of U.S.$415 million as of 31 December 2014 and U.S.$640 million as of 31 December 2013 resulting from the annual impairment test, which we booked under the line Other revenues (expenses) net in our statement of operations (See Note 21: Other revenues and expenses of our annual report on Form 20-F for the year ended December 31, 2014).

Impairment review

Group management undertakes at least an annual impairment test covering goodwill, intangible assets and indefinite lived assets allocated to the cash generating units to consider whether impairment is required.

The recoverable value retained by the Group corresponds to the value in use of the assets, cash generating units or group of cash generating units, defined as the discounted expected cash flows. In certain occasions, the recoverable value retained is the fair value less costs of disposal, defined by reference to an active market.

Following the CGG reorganization in four reportable segments in the third quarter of 2015, the cash generating units have been redefined in a consistent way with the new reportable segments. The marine cash generating unit has been split in three: i/ marine exclusive cash generating unit, ii/ marine multi-client, merged into the multi-client cash generating unit, and iii/ marine non-operated resources cash generating unit. The marine exclusive CGU is reported under the Contractual Data Acquisition segment, the marine multi-client has been merged in multi-client CGU and is reported under GGR segment and the marine non-operated resources CGU is reported under the new Non-Operated

Resources segment.

As a consequence, there are now nine cash generating units. A cash generating unit is a homogeneous group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets.

The following table provides the split of the total Group goodwill per segment:

Amounts in millions of U.S.$	**September 30, 2015**	**December 31, 2014**	**December 31, 2013**
Contractual Data Acquisition **(1)**		**366**	**782**
Non-Operated Resources			
CGU Multi-client	*284*	*447*	*447*
CGUs in Subsurface Imaging and Reservoir	*770*	*455*	*456*
Group of CGUs GGR		*590*	*590*
GGR	**1,054**	**1,492**	**1,493**
Equipment	**177**	**184**	**208**
Total	**1,231**	**2,042**	**2,483**

(1) *Contractual Data Acquisition goodwill being carried by Marine cash generating units only in 2013 and 2014*

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The goodwill supported by the group of four CGUs of GGR has been allocated to the CGUs of this group in the third quarter of 2015. The allocation was performed using a relative value approach and was allocated as follows: U.S.$273 to Multi-client CGU and U.S.$317 to the CGUs of Subsurface Imaging and Reservoir.

Since 2013, the remaining goodwill in the Contractual Data Acquisition segment has been located within Marine cash generating unit only. Hence, the key assumptions used to determine the recoverable value and the analysis of sensitivities will be detailed only for the Marine cash generating unit and not for the Contractual Data Acquisition group of cash generating units.

Key assumptions used in the determination of recoverable value

In determining the asset recoverability through value in use, management makes estimates, judgments and assumptions on uncertain matters. For each cash generating unit, the value in use is determined based on economic assumptions and forecasted operating conditions as follows:

- expected cash flows estimated in the 2016 budget and 2017-2018 outlook as presented to the Audit Committee on November 2, 2015,
- use of normative cash flows beyond Year 3, the discounted normative cash flows weight more than 80% of the total value in use,
- long-term growth rate between 2% and 2.5% regarding the activity,
- discount rates, unchanged compared to 2014, which we consider reflects the respective sector weighted average cost of capital (WACC):
  - 10% for the Equipment segment (corresponding to a pre-tax rate of 14.0%);
  - 8.5% for the Marine exclusive cash generating unit within the Contractual Data Acquisition segment (corresponding to a pre-tax rate of 10.4%);
  - 9.5% for the cash generating units within the GGR segment (corresponding to a pre-tax rate from 12.9% up to 14.2%).

CGG operates in a cyclical market, presently driven down by the drastic drop in oil prices and the significant slowdown of exploration programs, and the low point of the cycle, we are currently in, could last some years. Beyond the sole impact of the change of perimeter and two-third dedication to Multi-client of our marine operated fleet, midterm financial forecasts used notably for normative years have been adjusted to reflect this new market environment.

The Marine cash generating unit is strongly impacted by the deteriorated market conditions, which appear to last far longer than expected before summer 2015. As a consequence of the next phase of our fleet downsizing plan and the difficult market conditions, the impairment test of our Marine cash generating unit as of September 30, 2015 triggered a goodwill impairment for U.S.$365 million. There is no more goodwill located in the marine exclusive CGU (hence no more goodwill in the Contractual Data Acquisition segment) and marine non operated resources CGU (hence no goodwill in the Non-Operated Resources segment).

While the GGR segment remains more resilient than Contractual Data Acquisition in these market conditions, the integration of marine capacity within GGR coupled with the revision of our financial forecasts triggered an impairment of goodwill of U.S.$439 million. Out of these U.S.$439 million, U.S.$436 million are related to Multi-client CGU and are mainly explained by the allocation of U.S.$273 million of the GGR goodwill described above. Post impairment, the capital employed by the Multi-client cash generating unit amounts to U.S.$1,403 million as of September-end including U.S.$284 million of goodwill. Post impairment, the capital employed of the Sub Surface Imaging and Reservoir cash generating units amounts to U.S.$1,180 million as of September-end including U.S.$770 million goodwill.

In 2014, a goodwill impairment of U.S.$415 million was recognized for the Marine cash generating unit. In 2013, a goodwill impairment of U.S.$582 million and of U.S.$58 million was recognized respectively for Marine and Land cash generating units. No impairment loss was recorded for the year ended December 31, 2012.

Sensitivity to changes in assumptions

Changing the assumptions selected by Group management, in particular the discount rate and the normative cash flows (based on EBITDAS) could significantly affect the evaluation of the value in use of our cash generating units and, hence, the Group s impairment result. The profile of the business cycle could affect, to a lesser extent compared to the two previous assumptions, the evaluation of the value in use of our cash generating units. The cash flow generated during 2017 (chosen as middle of the three years sequence) is an important assumption.

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The following changes to the assumptions used in the impairment test lead to the following:

Amounts in millions of U.S.$		Excess of the expected future Discounted cash-flows over the carrying value of assets	Sensitivity on 2016 cash flows		Sensitivity on normative cash flows		Sensitivity on discount rate (after tax)	
	Goodwill	including goodwill	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 0.25%	Increase by 0.25%
CGU Multi-client	284	0	(9)	+9	(123)	+123	+56	(52)
CGUs in Subsurface Imaging and Reservoir	770	690	(8)	+8	(161)	+161	+72	(67)
Equipment segment	177	1,129	(7)	+7	(161)	+161	+65	(60)
Total	**1,231**							

NOTE 4 FINANCIAL DEBT

Gross financial debt as of September 30, 2015 was U.S.$2,873.1 million compared to U.S.$2,778.9 million as of December 31, 2014.

Nine months period ended September 30, 2015

Simplified public exchange of convertible bonds

In May 2015, CGG initiated a simplified public exchange offer for its outstanding 11,200,995 bonds convertible into and/or exchangeable for new or existing share of the company (convertible bonds) due 2019, with the intention to issue new convertible bonds due 2020 at a ratio of five 2020 convertible bonds for two 2019 convertible bonds tendered into the offer.

On June 26, 2015, holders exchanged 90.3% of the principal amount of the existing 2019 convertible bonds (or 10,114,014 bonds). In consideration, CGG issued 25,285,035 convertible bonds maturing on January 1, 2020 for a total nominal amount of 325.1 million (or U.S.$363.7 million converted at the historical closing exchange rate of U.S.$1.1189).

The 2020 convertible bonds nominal value was set at 12.86 per bond (versus 32.14 for the 2019 convertible bonds). The new bonds bear interest at a rate of 1.75% payable semi-annually in arrears on January 1 and July 1 of each year (versus 1.25% for the 2019 convertible bonds). The bonds entitle the holders to receive new and/or existing CGG shares at the ratio of one share per one bond, subject to adjustments. Under certain conditions, the bonds may be redeemed prior to maturity at our option.

As of June 30, 2015, as a result of this transaction, we derecognized the financial liability and equity components related to the 2019 convertible bonds that were exchanged. We also recognized the 2020 convertible bonds at their fair value amounting to 275.2 million (or U.S.$307.8 million converted at the historical closing exchange rate of U.S.$1.1189). The financial liability component was assessed using a 6.63% interest rate and amounted to 265.4 million (or U.S.$296.9 million). The equity component was 9.7 million (or U.S.$10.9 million).

The outstanding amount of the financial liability that corresponds to the 2019 convertible bonds that were not exchanged amounted to 30.3 million (or U.S.$34 million) in the consolidated statement of financial position as of September 30, 2015.

The impact of the transaction on the net income of the period is not significant. The impact on equity amounts to U.S.$8.6 million, net of taxes.

Credit Facility Amendments

In order to increase our financial flexibility, and following unanimous consent from the 16 different financial institutions involved, in June 2015, we revised certain terms in several of our credit facilities, namely our French revolving credit facility, our US revolving credit facility, our Nordic term loan and revolving credit facilities and our U.S.$45 million term loan facility secured by the Geowave Voyager vessel.

Pursuant to such amendments,

(i) Looking at the financial covenants:

- the maximum leverage ratio (defined as total net financial debt to EBITDAS) was increased to a ratio of 4.00x for each rolling 4-quarter period ending on or before June 2016, 3.75x for each such period ending on or before June 2017, 3.50x for each such period ending on or before June 2018, 3.25x for each such period ending on or before June 2019, and 3.00x for each such period thereafter;

- the minimum interest cover ratio (defined as EBITDAS to total interest costs) was reduced from 4.00:1 to 3.00:1.

(ii) Looking at the permitted indebtedness under the present credit agreements, the Group has the ability to raise up to U.S.$500m of secured indebtedness ranking pari passu with the existing U.S. and French Revolving Credit Facilities in relation to an extended security package encompassing notably the fleet streamers, the US Multi-Client Library, and the shares of the main Sercel operating entities (Sercel SA and Sercel Inc), and the shares of significant GGR operating entities.

Nine months period ended September 30, 2014

2016 convertible bond

As of September 30, 2014, the entire 360 million principal amount of the 2016 convertible bonds was redeemed.

Redemption premium and transaction costs were allocated to the liability and equity components at the date of the transaction. The net loss relating to the liability component amounting to U.S.$37.6 million was recorded in line item Other financial income (loss) of our consolidated statement of operations; and the negative impact on equity amounted to U.S.$16.3 million, net of taxes.

Accelerated amortization of deferred expenditures was recorded for U.S.$2.5 million in the line item Cost of financial debt net in our consolidated statement of operations.

High yield bonds, loans and credit facilities

During the nine months ended September 30, 2014, we redeemed in full the U.S.$225 million outstanding principal of our 9 ½ % senior notes due 2016 and U.S.$265 million outstanding principal of our 7 ¾% senior notes due 2017.

Related accelerated amortization of deferred expenditures was recorded for U.S.$8.6 million in the line item Cost of financial debt net in our consolidated statement of operations. Penalties for early repayment were recorded for U.S.$8.7 million in the line item Other financial income (loss) in our consolidated statement of operations.

We also issued senior notes of respectively 400 million (or U.S.$546.3 million, converted at the historical closing exchange rate of U.S.$1.3658) principal amount due 2020, and U.S.$500 million principal amount due 2022.

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NOTE 5 ANALYSIS BY OPERATING SEGMENT AND GEOGRAPHIC AREA

Taking into account the long cyclical trough of the seismic market, which further worsened during the summer of 2015 in the light of an updated bearish forward view on the price of oil, CGG has decided during the third quarter of 2015 to drastically reduce its marine fleet down to 5 vessels and to implement new adaptation measures throughout the Group. Going forward the downsized CGG fleet would be dedicated on average two-thirds to multi-client surveys and only one-third to shoot exclusive surveys. As a result of the reduction of its fleet, part of the owned assets will not be operated for a certain period of time. The costs of these non-operated resources as well as the costs of the Group Transformation Plan are reported in a new operating and reporting segment. Since September 30 2015, we have organized our activities in four segments for our financial reporting. These segments are:

- **Contractual Data Acquisition**, which comprises the following operating segments:

  - Marine: offshore seismic data acquisition undertaken by us on behalf of a specific client;

  - Land and Multi-Physics: other seismic data acquisition undertaken by us on behalf of a specific client.

- **Geology, Geophysics & Reservoir (GGR)**. This operating segment comprises the Multi-client business line (development and management of seismic surveys that we undertake and license to a number of clients on a non-exclusive basis) and the Subsurface Imaging and Reservoir business lines (processing and imaging of geophysical data, reservoir characterization, geophysical consulting and software services, geological data library and data management solutions). Both business lines regularly combine their offerings, generating overall synergies between their respective activities. The GGR segment includes the costs, industrial capital expenditures and capital employed related to the vessels dedicated to the multi-client surveys.

- **Equipment**, which comprises our manufacturing and sales activities for seismic equipment used for data acquisition, both on land and marine. We carry out the activity in the Equipment segment through our subsidiary Sercel.

- **Non-Operated Resources**, which comprises the costs of the non-operated marine resources as well as all the costs of our Transformation Plan (mainly restructuring provisions and provision for onerous contracts). The capital employed of this segment includes the non-operated marine assets and the provisions related to the Group Transformation Plan. In this segment, the recoverable value retained is the fair value less costs of disposal.

Financial information by segment is reported in accordance with our internal reporting system and provides internal segment information that is used by the chief operating decision maker to manage and measure the performance.

As a complement to Operating Income, EBIT may be used by management as a performance indicator because it captures the contribution to our results of the significant businesses that are managed through our joint-ventures. We define EBIT as Operating Income plus our share of income in companies accounted for under the equity method.

Inter-company analytical transactions between segments are made at arm s length prices. They relate primarily to geophysical equipment sales made by the Equipment segment to the Contractual Data Acquisition and GGR segments (with the reference being the spot market). As GGR includes marine capacity dedicated to multi-client surveys, there are no longer any services rendered by Contractual Data Acquisition to GGR for multi-client surveys. Transactions between subsidiaries of the Group are made at market prices.

These inter-segment revenues and the related earnings are eliminated in consolidation in the tables that follow under the column Eliminations and other .

The inter-segment sales and the related earnings recognized by the Equipment segment are eliminated and presented in the tables that follow as follows: (i) Operating Income and EBIT for our Contractual Data Acquisition and GGR segments are presented after elimination of amortization expenses corresponding to capital expenditures between our Equipment segment and Contractual Data Acquisition and GGR segments; and (ii) capital expenditures for our Contractual Data Acquisition and GGR segments are presented after elimination of inter-segment margin.

Operating Income and EBIT may include non-recurring items, which are disclosed in the reportable segment if material. General corporate expenses, which include Group management, financing, and legal activities, have been included in the column Eliminations and other in the tables that follow. The Group does not disclose financial expenses or financial revenues by segment because they are managed at the Group level.

Identifiable assets are those used in the operations of each segment. Unallocated and corporate assets consist of investments and other financial assets and cash and cash equivalents of our consolidated statement of financial position. Due to the constant changes in work locations, the group does not track its assets based on country of origin or ownership.

Capital employed is defined as total assets excluding cash and cash equivalents less (i) current liabilities excluding bank overdrafts and current portion of financial debt and (ii) non-current liabilities excluding financial debt .

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The following tables also present operating revenues, Operating Income and EBIT by segment, and operating revenues by geographic area (by location of customers).

Analysis by segment

	Three months ended September 30,											
	2015						2014 (restated)					
In millions of U.S.$, except for assets and capital employed in billions of U.S.$	**Contractual Data Acquisition**	**Non Operated Resources**	**GGR**	**Equipment**	**Eliminations and other**	**Consolidated Total**	**Contractual Data Acquisition**	**Non Operated Resources**	**GGR**	**Equipment**	**Eliminations and other**	**Consolidated Total**
Revenues from unaffiliated customers	147.7		226.6	95.5		469.8	222.3		304.7	166.9		693.9
Inter-segment revenues	4.5			7.3	(11.8)		12.9			13.5	(26.4)	
Operating revenues	**152.2**		**226.6**	**102.8**	**(11.8)**	**469.8**	**235.2**		**304.7**	**180.4**	**(26.4)**	**693.9**
Depreciation and amortization (excluding multi-client surveys)	(537.3)	(4.6)	(483.7)	(10.4)		(1,036.0)	(90.5)	(3.8)	(50.1)	(11.9)		(156.3)
Depreciation and amortization of multi-client surveys			(51.2)			(51.2)			(88.9)			(88.9)
Operating income	**(529.1)**	**(10.3)**	**(409.9)**	**4.9**	**(18.7)**	**(963.1)**	**(70.3)**	**(8.2)**	**69.7**	**29.3**	**(34.2)**	**(13.7)**
Share of income in companies accounted for under equity method (1)	10.8					10.8	(8.7)		(1.5)			(10.2)
Earnings before interest and tax (2)	**(518.3)**	**(10.3)**	**(409.9)**	**4.9**	**(18.7)**	**(952.3)**	**(79.0)**	**(8.2)**	**68.2**	**29.3**	**(34.2)**	**(23.9)**
Capital expenditures	14.5		7.5	4.6	3.6	30.2	26.8		9.7	9.8	4.5	50.8

(excluding multi-client surveys) (3)				
Investments in multi-client surveys, net cash	68.0	68.0	151.1	151.1

(1) Share of operating results of companies accounted for under equity method were U.S.$11.8 million and U.S.$(5.7) million for the three months ended September 30, 2015 and 2014, respectively.

(2) At the Group level, Operating Income and EBIT before costs related to the Transformation Plan amounted to U.S.$4.3 million and U.S.$15.1 million, respectively, for the three months ended September 30, 2015, compared to U.S.$50.7 million and U.S.$40.5 million, respectively, for the three months ended September 30, 2014.

For the three months ended September 30, 2015, Contractual Data Acquisition EBIT includes:

(i) U.S.$(365.0) million of marine goodwill depreciation;

(ii) U.S.$(110.0) million relating to impairment of marine equipment;

(iii) U.S.$(25.0) million relating to other intangible assets impairment;

For the three months ended September 30, 2014, Contractual Data Acquisition EBIT included U.S.$(55.0) million impairment of our investment in the SBGS JV (Seabed Geosolutions BV) accounted for under equity method;

For the three months ended September 30, 2015, Non-Operated Resources EBIT included U.S.$(5.7) million related to the Marine Transformation Plan. For the three months ended September 30, 2014, Non-Operated Resources EBIT included U.S.$(4.4) million related to the Marine Transformation Plan.

For the three months ended September 30, 2015, GGR EBIT also included

(i) U.S.$(438.8) related to GGR CGUs goodwill depreciation,

(ii) U.S.$(11.2) impairment of intangibles assets.

For the three months ended September 30, 2015, eliminations and other includes U.S.$(9.4) million of general corporate expenses and U.S.$(9.3) million of intra-group margin. For the three months ended September 30, 2014, eliminations and other included U.S.$(12.4) million of general corporate expenses and U.S.$(21.8) million of intra-group margin.

(3) Capital expenditures include capitalized development costs of U.S.$(7.6) million and U.S.$(12.0) million for the three months ended September 30, 2015 and 2014, respectively. Eliminations and other corresponds to the variance of suppliers of assets for the period.

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	Nine months ended September 30,											
	2015						2014 (restated)					
In millions of U.S.$, except for assets and capital employed in billions of U.S.$	**Contractual Data Acquisition**	**Non Operated Resources**	**GGR**	**Equipment**	**Eliminations and other**	**Consolidated Total**	**Contractual Data Acquisition**	**Non Operated Resources**	**GGR**	**Equipment**	**Eliminations and other**	**Consolidated Total**
Revenues from unaffiliated customers	483.0		723.0	305.9		1,511.9	816.2		894.4	478.6		2,189.2
Inter-segment revenues	18.1			28.9	(47.0)		30.8			104.4	(135.2)	
Operating revenues	**501.1**		**723.0**	**334.8**	**(47.0)**	**1,511.9**	**847.0**		**894.4**	**583.0**	**(135.2)**	**2,189.2**
Depreciation and amortization (excluding multi-client surveys)	(613.2)	(13.7)	(558.4)	(31.2)		(1,216.5)	(243.9)	(12.6)	(156.1)	(55.1)		(467.7)
Depreciation and amortization of multi-client surveys			(177.4)			(177.4)			(283.5)			(283.5)
Operating income	**(607.9)**	**(36.0)**	**(317.8)**	**25.8**	**(56.1)**	**(992.0)**	**(164.3)**	**(99.9)**	**146.9**	**87.3**	**(135.1)**	**(165.1)**
Share of income in companies accounted for under equity method (1)	27.0					27.0	(37.0)		(2.9)			(39.9)
Earnings before interest and tax (2)	**(580.9)**	**(36.0)**	**(317.8)**	**25.8**	**(56.1)**	**(965.0)**	**(201.3)**	**(99.9)**	**144.0**	**87.3**	**(135.1)**	**(205.0)**

Capital expenditures (excluding multi-client surveys) (3)	58.2		26.3	16.6	11.7	112.8	170.7		4.3	47.9	16.3	239.2
Investments in multi-client surveys, net cash			218.4			218.4			482.1			482.1
Capital employed	**0.8**		**2.6**	**0.7**		**4.1**						