

CGG
Form 6-K
August 01, 2014
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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, 2014

Commission File Number 001-14622

CGG

(Translation of registrant's name into English)

Tour Maine Montparnasse

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75015 Paris

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France

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(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 Form 40-F

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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, including on our customers and suppliers;

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 balance sheet;

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 unilaterally terminate certain contracts in our backlog;

the effects of competition;

difficulties in adapting our fleet to changes in the seismic market;

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, 2013 that we filed with the SEC on April 10, 2014. 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 June 30,	
	2014	2013
Operating revenues	689.1	1,031.7
Other income from ordinary activities	0.5	0.5
Total income from ordinary activities	689.6	1,032.2
Cost of operations	(557.7)	(794.3)
Gross profit	131.9	237.9
Research and development expenses, net	(27.6)	(24.9)
Marketing and selling expenses	(30.2)	(34.5)
General and administrative expenses	(37.3)	(54.2)
Other revenues (expenses), net	(222.7)	(2.8)
Operating income	(185.9)	121.5
Expenses related to financial debt	(62.7)	(47.2)
Income provided by cash and cash equivalents	0.3	0.4
Cost of financial debt, net	(62.4)	(46.8)
Other financial income (loss)	(46.9)	0.1
Income (loss) of consolidated companies before income taxes	(295.2)	74.8
Deferred taxes on currency translation	(3.2)	1.7
Other income taxes	(13.0)	(36.3)
Total income taxes	(16.2)	(34.6)
Net income (loss) from consolidated companies	(311.4)	40.2
Share of income (loss) in companies accounted for under equity method	(13.2)	(4.5)
Net income (loss)	(324.6)	35.7
<i>Attributable to :</i>		
<i>Owners of CGG</i>	\$ (326.5)	34.9
<i>Owners of CGG (1)</i>	(237.8)	26.6
<i>Non-controlling interests</i>	\$ 1.9	0.8
Weighted average number of shares outstanding	176,919,920	176,719,125
Dilutive potential shares from stock-options	(3)	507,561
Dilutive potential shares from performance share plan	(3)	611,140
Dilutive potential shares from convertible bonds	(3)	(2)
Dilutive weighted average number of shares outstanding adjusted when dilutive	176,919,920	177,837,826
Net income (loss) per share		
Basic	\$ (1.85)	0.20
Basic (1)	(1.34)	0.15
Diluted	\$ (1.85)	0.20
Diluted (1)	(1.34)	0.15

- (1) *Corresponding to the half-year amount in euros less the first quarter amount in euros.*
- (2) *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 income per share.*
- (3) *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	Six months ended	
	June 30,	
	2014	2013
Operating revenues	1,495.3	1,902.4
Other income from ordinary activities	0.9	1.1
Total income from ordinary activities	1,496.2	1,903.5
Cost of operations	(1,230.2)	(1,469.5)
Gross profit	266.0	434.0
Research and development expenses, net	(54.0)	(51.0)
Marketing and selling expenses	(59.7)	(62.9)
General and administrative expenses	(79.2)	(105.2)
Other revenues (expenses), net	(224.5)	58.4
Operating income	(151.4)	273.3
Expenses related to financial debt	(110.9)	(94.1)
Income provided by cash and cash equivalents	0.9	1.0
Cost of financial debt, net	(110.0)	(93.1)
Other financial income (loss)	(44.4)	(4.9)
Income (loss) of consolidated companies before income taxes	(305.8)	175.3
Deferred taxes on currency translation	(4.2)	(5.0)
Other income taxes	(23.9)	(61.6)
Total income taxes	(28.1)	(66.6)
Net income (loss) from consolidated companies	(333.9)	108.7
Share of income (loss) in companies accounted for under equity method	(29.7)	6.1