CGGVeritas Announces Second Quarter 2010 Results

Group Operating Margin at 6%

Lower Multi-Client After-Sales in the Gulf-of-Mexico

Sercel Strengthening, Operating Margin to 27%

PARIS, France – July 30th 2010 – CGGVeritas (ISIN: 0000120164 – NYSE: CGV) announced today its non-audited second quarter 2010 consolidated results. All comparisons are made on a year-on-year basis unless stated otherwise. All 2009 results are reported before restructuring and impairment.

- Group revenue was $647m, down 17% year-on-year with the vessel reduction plan realized Sequentially, Group revenue was down 7% as a result of Arctic land crew demobilization and reduced multi-client sales in the Gulf-of-Mexico and Brazil
- Group operating margin was 6%, with Sercel performance increasing to 27% and Services maintaining a slightly positive margin while operating in a low priced marine market and with low multi-client contributions
- Net income was $8m
- Net debt to equity ratio at 39%
- Backlog as of July 1st was stable sequentially at $1.5 billion

Second Quarter 2010 key figures

In million $	First Quarter 2010	Second Quarter 2010	Second Quarter 2009
Group Revenue	**696**	**647**	**779**
Sercel	222	247	239
Services	511	460	558
Group Operating Income	**37**	**37**	**67**
margin	*5%*	*6%*	*9%*
Sercel	50	66	57
margin	*22%*	*27%*	*24%*
Services	14	5	36
margin	*3%*	*1%*	*6%*
Net Income	**1**	**8**	**23**
margin	*0%*	*1%*	*3%*
Net Debt	**1,343**	**1,452**	**1,499**
Net Debt to Equity ratio	*35%*	*39%*	*36%*

CGGVeritas CEO, Jean-Georges Malcor commented:

"Our 2010 second quarter results were in-line with our expectations despite the situation in the Gulf-of-Mexico and delays in the publication of pre-salt regulations in Brazil which impacted our marine multi-client sales. Sercel further strengthened this quarter, especially in marine, as streamer demand for both new builds and upgrades of existing configurations increased.

Looking forward, land and marine sales in Sercel are expected to remain at high levels driven by increased technology intensity requirements for high resolution imaging. In Services, commercial activity is increasingly supported by new opportunities in most regions. However, uncertainty in the Gulf-of-Mexico could continue to impact multi-client sales and probably will delay the balancing of supply and demand in contract marine if vessels relocate to other basins worldwide.

With our new organization we will focus on improving the operational performance of each of our activities, accelerating the continuous advance of technology and utilizing our full breadth to develop innovative solutions for our clients. BroadSeis, our new patented broadband marine solution launched last month saw excellent market take-up with multiple client tests already requested worldwide."

Second Quarter 2010 Financial Results

Group Revenue

Group Revenue was down 17% in $ and 13% in € year-on-year mainly due to fleet capacity adjustments. Group Revenue was down 7% sequentially in $.

In millions	First Quarter 2010 ($)	Second Quarter 2010 ($)	Second Quarter 2009 ($)	Second Quarter 2010 (€)	Second Quarter 2009 (€)
Group Revenue	**696**	**647**	**779**	**498**	**573**
Sercel Revenue	222	247	239	191	175
Services Revenue	511	460	558	353	409
Eliminations	-37	*-60*	-17	*-46*	-12
Marine contract	203	195	261	150	191
Land contract	114	79	83	62	61
Processing	94	94	97	72	72
Multi-client	100	92	116	70	86
MC marine	74	60	103	46	76
MC land	26	32	13	24	10

Sercel

Year-on-year, revenue was up 3% in $ and 9% in €. Sequentially, revenue was up 11% in $ and operating margin increased 5 points to 27% confirming the early recovery of the equipment market and the technology leadership of Sercel.

Sentinel® solid steamer demand for new builds and vessel upgrades, along with increased technology take-up of SeaRay® OBC systems, drove marine sales higher this quarter. In Land, sales remained strong on demand for increasing channel counts and regional activity.

During the quarter, deployment began on our industry first fiber-optic permanent monitoring solution with Optowave™ in the North Sea, and the first sales of our Metrolog downhole pressure and temperature gauges in China were delivered.

Internal sales represented 24% of revenue.

Services

Year-on-year, revenue was down 18% in $ and 14% in €. Sequentially revenue was down 10% in $ and operating margin was 1%.

- Marine contract revenue was down 25% year-on-year in $ and 22% in € mainly due to the planned decommissioning of nine of our lower-end vessels which is now complete. Sequentially, revenue was down 4% with good vessel availability[1] and production[2] rates, both at 92% in a continued low priced market. 73% of the 3D fleet operated on contract, 27% on multi-client.

  We are on schedule with the upgrade of six of our high-end vessels to Nautilus® this year and have initiated the deployment of SeaPro Nav, our integrated navigation and positioning systems for all in water equipment.

  The Oceanic Vega was delivered in July and is currently starting its first contract in the North Sea. With a maximum towing capacity of 20 Sercel solid Sentinel streamers and Nautilus streamer steering devices, the Oceanic Vega will be unrivaled in providing high-end marine services including wide-azimuth and BroadSeis™ acquisition.

- Land contract revenue was down 4% year-on-year in $ and up 2% in €. Sequentially revenue was down 30% in $ as our Arctic crews demobilized. Activity remained high in the Middle East further reinforced by the mobilization of new OBC crews.

  The application of our high productivity, high resolution HPVA and V1 solutions continue to expand across our vibroseis land operations and our new land based broadband solution, EmphaSeis, was implemented successfully on two commercial projects.

  During the quarter we received our first award for a 3D acquisition project with our new JV partner in Columbia.

[1] - The ***vessel availability rate***, a metric measuring the structural availability of our vessels to meet demand; this metric is related to the entire fleet, and corresponds to the total vessel time reduced by the sum of the standby time, the shipyard time and the steaming time (the "available time"), all divided by total vessel time;

[2] - The ***vessel production rate***, a metric measuring the effective utilization of the vessels once available; this metric is related to the entire fleet, and corresponds to the available time reduced by the operational downtime, all then divided by available time.

SeisMovie™, our real-time onshore permanent monitoring solution continues to see increased interest, particularly for heavy oil, CO_2 sequestration and gas storage.

- Processing & Imaging revenue was down 4% year-on-year in $ and stable in €. Sequentially revenue was stable in $ with strong margins. During the quarter we opened new reservoir seismic centers in Europe, Africa and Brazil. Demand for high-end imaging technology for shale prospects further increased. The deployment of *geovation,* our new processing and imaging platform, will continue to bring the latest technology to our customers.

  Recent advances in our TTI RTM workflows uniquely provide the ability to pick 3D surfaces for enhanced tomographic velocity model building, leading to significant improvements in the precision of wide-azimuth depth images.

- Multi-client revenue was down 21% year-on-year in $ and 18% in €. Sequentially, revenue was down 9% in $ mainly impacted by lower marine after-sales. Capex for the second quarter remained sequentially stable at $86 million (€66 million) with prefunding increasing to 67%. The amortization rate averaged 57%, with 66% in land and 53% in marine. Net Book Value of the library at the end of June was at $740 million.

  Multi-client marine revenue was sequentially down 19% in $. Capex was at $72 million (€55 million). Prefunding was $42 million (€32 million), a rate of 59%. After-sales worldwide were low at $18 million (€14 million) impacted by the conditions in the Gulf-of-Mexico and the delay of the publication of pre-salt regulations in Brazil. All Gulf-of-Mexico wide-azimuth data will be delivered on schedule.

  Off the coast of Gabon, we successfully integrated the high-resolution geologic information of a Gravity Gradiometry survey in our multi-client data to better constrain the salt bodies and potential prospects.

  Multi-client land revenue was sequentially up 21% in $. Capex was at $14 million (€11 million). Interest continues to strengthen for our on-shore data in the US, especially the Haynesville survey which was completed in May and our upcoming new Marcellus shale program. Prefunding was $16 million (€12 million), a rate of 112%. After-sales were $17 million (€13 million).

Group EBITDAs was $166 million (€128 million), a margin of 26%.

In millions	First Quarter 2010 ($)	Second Quarter 2010 ($)	Second Quarter 2009 ($)	Second Quarter 2010 (€)	Second Quarter 2009 (€)
Group EBITDAs	**176**	**166**	**232**	**128**	**170**
margin	*25%*	*26%*	*30%*	*26%*	*30%*
Sercel EBITDAs	62	78	67	60	49
margin	*28%*	*31%*	*28%*	*31%*	*28%*
Services EBITDAs	137	120	188	92	138
margin	*27%*	*26%*	*34%*	*26%*	*34%*

Group Operating Income Group Operating Income was $37 million (€29 million), a margin of 6% including a positive impact of non-current items such as disposal of assets and reduction of liabilities. The strengthening performance of Sercel was offset by the continued low priced marine market and low marine multi-client contributions in Services.

In millions	First Quarter 2010 ($)	Second Quarter 2010 ($)	Second Quarter 2009 ($)	Second Quarter 2010 (€)	Second Quarter 2009 (€)
Group Operating Income	**37**	**37**	**67**	**29**	**49**
margin	*5%*	*6%*	*9%*	*6%*	*9%*
Sercel Op. Income	50	66	57	51	42
margin	*22%*	*27%*	*24%*	*27%*	*24%*
Services Op. Income*	14	5	36	4	26
margin	*3%*	*1%*	*6%*	*1%*	*6%*

Financial Charges

Financial charges were $34 million (€26 million).

Net Income was $8 million (€6 million). After the impact of minority interests of $5 million, EPS was €0.01 per ordinary share and $0.02 per ADS.

Cash Flow

Cash Flow from Operations

Cash flow from operations was $82 million (€65 million) down 62% year-on-year.

Capex

Global Capex was $163 million (€125 million) this quarter, an increase of 11% year-on-year.

- Industrial Capex was $78 million (€59 million)
- Multi-client Capex was $86 million (€66 million) a reduction of 16% in $ with a 67% prefunding rate

In million $	First Quarter 2010	Second Quarter 2010	Second Quarter 2009
Capex	142	163	147
Industrial	55	78	45
Multi-client	87	86	102

Free Cash Flow
After interest expenses paid during the quarter, free cash flow was negative at $127 million.

On July 15, we completed an amendment to our January 2014 term loan B agreement which includes an extension of maturity to 2016 of a $340 million portion of our $515 million outstanding credit facility.

Second Quarter 2010 Comparisons with Second Quarter 2009

Consolidated Income Statement In millions	First Quarter 2010 ($)	Second Quarter 2010 ($)	Second Quarter 2009 ($)	Second Quarter 2010 (€)	Second Quarter 2009 (€)
Exchange rate euro/dollar	*1.398*	*1.303*	*1.335*	*1.303*	*1.335*
Operating Revenue	696.1	646.9	778.9	498.0	572.6
Sercel	*221.9*	*247.0*	*238.7*	*190.6*	*175.2*
Services	*511.3*	*459.8*	*557.6*	*353.3*	*409.3*
Elimination	*-37.1*	*-60.1*	*-17.4*	*-45.9*	*-11.9*
Gross Profit	**148.0**	**129.4**	**164.2**	**99.9**	**119.7**
Operating Income	**36.8**	**37.1**	**67.1**	**28.5**	**48.5**
Sercel	*49.6*	*65.8*	*56.7*	*50.5*	*41.9*
Services	*14.1*	*5.1*	*35.9*	*4.1*	*25.5*
Corporate and Elimination	*-26.9*	*-33.8*	*-25.5*	*-26.1*	*-18.9*
Net Financial Costs	**-23.9**	**-23.2**	**-41.3**	**-17.8**	**-30.6**
Income Tax	**-8.9**	**-2.7**	**-12.5**	**-2.2**	**-9.0**
Deferred Tax on Currency Translation	**-3.8**	**0.4**	**7.2**	**0.2**	**5.4**
Income from Equity Investments	**0.3**	**-3.2**	**2.7**	**-2.3**	**2.0**
Net Income	**0.5**	**8.3**	**23.2**	**6.2**	**16.5**
Earnings per share (€) / per ADS ($)	**-0.02**	**0.02**	**0.13**	**0.01**	**0.09**
EBITDAs	**175.5**	**166.4**	**231.7**	**128.0**	**170.0**
Sercel	*61.7*	*77.7*	*66.5*	*59.7*	*49.1*
Services	*136.8*	*120.2*	*187.7*	*92.4*	*137.6*
Industrial Capex	*54.9*	*77.7*	*45.2*	*59.1*	32.8
Multi-client Capex	*87.0*	85.7	*101.7*	*65.8*	75.0

First Half 2010 Financial Results

Group Revenue

Group Revenue was down 18% both in $ and in € year-on-year, reflecting our marine fleet capacity adjustment program, low priced backlog secured in the second half of 2009 and low marine multi-client sales, masking the strengthening performance of Sercel. Group Revenue was down 9% sequentially in $.

In millions	Second Half 2009 ($)	First Half 2010 ($)	First Half 2009 ($)	First Half 2010 (€)	First Half 2009 (€)
Group Revenue	**1 479**	**1 343**	**1 630**	**996**	**1 221**
Sercel Revenue	418	469	440	350	329
Services Revenue	1 133	971	1 246	719	934
Eliminations	-72	*-97*	-56	*-72*	-42
Marine contract	444	398	634	295	475
Land contract	167	193	215	143	161
Processing	205	187	198	139	149
Multi-client	317	192	198	142	148
MC marine	241	134	173	99	130
MC land	77	59	25	43	19

Group EBITDAs was $342 million (€254 million), a margin of 25%.

In millions	Second Half 2009 ($)	First Half 2010 ($)	First Half 2009 ($)	First Half 2010 (€)	First Half 2009 (€)
Group EBITDAs	**478**	**342**	**514**	**254**	**385**
margin	*32%*	*25%*	*32%*	*25%*	*32%*
Sercel EBITDAs	98	139	131	104	98
margin	*23%*	*30%*	*30%*	*30%*	*30%*
Services EBITDAs	403	257	431	190	323
margin	*36%*	*26%*	*35%*	*26%*	*35%*

Group Operating Income was $74 million (€55 million), a margin of 5%.

In millions	Second Half 2009 ($)	First Half 2010 ($)	First Half 2009 ($)	First Half 2010 (€)	First Half 2009 (€)
Group Operating Income	**111**	**74**	**199**	**55**	**149**
margin	*7%*	*5%*	*12%*	*5%*	*12%*
Sercel Op. Income	75	115	111	86	83
margin	*18%*	*25%*	*25%*	*25%*	*25%*
Services Op. Income*	61	19	142	14	106
margin	*5%*	*2%*	*11%*	*2%*	*11%*

Financial Charges
Financial charges were $68 million (€50 million).

Net Income was $9 million (€7 million). After the impact of minority interests of $9 million, EPS was €0.00 per ordinary share and $0.00 per ADS.

Cash Flow

Cash Flow from Operations
Cash flow from operations was $233 million (€173 million) down 32% year-on-year.

Capex
Global Capex was $302 million (€224 million) in the first half of the year, a reduction of 6% year-on-year.

- Industrial Capex was $129 million (€96 million)
- Multi-client Capex was $173 million (€128 million) a reduction of 10% in $ with a 62% prefunding rate

	Second Half	First Half	
In million $	2009	2010	2009
Capex	264	302	322
Industrial	138	129	129
Multi-client	127	173	193

Free Cash Flow
After interest expenses paid during the first half, free cash flow was negative at $121 million.

Balance Sheet

Net Debt to Equity Ratio
The Group's gross debt was $1.894 billion at the end of June 2010, corresponding to €1.543 billion following a 1.23 euro/dollar closing exchange rate.

With $442 million (€360 million) in available cash, Group net debt was $1.452 billion (€1.183 billion).

Net debt to equity ratio, at the end of June 2010, was 39%.

First Half 2010 Comparisons with First Half 2009

Consolidated Income Statement In millions	Second Half 2009 ($)	First Half 2010 ($)	First Half 2009 ($)	First Half 2010 (€)	First Half 2009 (€)
Exchange rate euro/dollar	*1.392*	*1.348*	*1.335*	*1.348*	*1.335*
Operating Revenue	1 479.1	1 343.0	1 630.1	996.0	1 221.1
Sercel	*418.2*	*469.0*	*439.8*	*349.5*	*329.0*
Services	*1 132.7*	*970.9*	*1 245.8*	*718.8*	*933.6*
Elimination	*-71.9*	*-97.0*	*-55.5*	*-72.3*	*-41.5*
Gross Profit	**317.9**	**277.4**	**420.4**	**205.8**	**315.0**
Operating Income	**110.6**	**73.8**	**198.6**	**54.8**	**148.7**
Sercel	*75.3*	*115.4*	*111.0*	*86.0*	*83.0*
*Services**	*61.3*	*19.2*	*142.0*	*14.2*	*106.3*
*Corporate and Elimination**	*-26.0*	*-60.8*	*-54.3*	*-45.4*	*-40.6*
Net Financial Costs	**-89.4**	**-47.1**	**-72.5**	**-35.0**	**-54.3**
Income Tax	**-13.0**	**-11.7**	**-43.0**	**-8.6**	**-32.2**
Deferred Tax on Currency Translation	**-0.7**	**-3.4**	**7.6**	**-2.5**	**5.7**
Income from Equity Investments	**8.3**	**-2.8**	**3.3**	**-2.1**	**2.4**
Net Income	**15.8**	**8.8**	**93.9**	**6.6**	**70.3**
Earnings per share (€) / per ADS ($)	**0.09**	**0.00**	**0.59**	**0.00**	**0.44**
EBITDAs	**477.5**	**341.9**	**514.3**	**253.6**	**385.3**
Sercel	*97.7*	*139.4*	*130.7*	*103.9*	*97.8*
Services	*402.9*	*257.0*	*430.8*	*190.3*	*322.8*
Industrial Capex	*137.9*	129.4	*129.1*	*96.0*	96.7
Multi-client Capex	*126.5*	172.6	*192.8*	*128.0*	144.5

* Starting in 2010, operating income for our Services segment is presented after elimination of amortization expense corresponding to past inter-company capital expenditures between our Equipment segment and Services segment. These eliminations were previously presented in Eliminations and Adjustments. The segment information related to our Services segment for the first and second quarters 2009 was restated to reflect this change in our internal financial reporting.

Other Information

- A French language conference call is scheduled today at 10:00am (Paris), 9:00am (London). To take part in the French language conference, simply dial in 5 to 10 minutes prior to the scheduled start time.

  - France call-in +33 1 72 00 13 64
  - International call-in +44 203 367 94 59
  - Replay +33 1 72 00 15 01 & +44 203 367 94 60
    Code: 270603 #

- An English language conference call is scheduled today at 3:00pm (Paris) – 2:00pm (London) – 8:00am (US CT) – 9:00am (US ET). To take part in the English language conference, simply dial 5 to 10 minutes prior to the scheduled start time.

  - US Toll-Free 1-877-485-3104
  - International call-in 1-201-689-8579
  - Replay 1-877-660-6853 & 1-201-612-7415
    Event ID: 342 719
  - You will be asked for the name of the conference: "CGGVeritas Q2 2010 results".

- **The presentation** is posted on our website www.cggveritas.com and can be downloaded
- **Detailed financial results (6K)** are available on our website www.cggveritas.com
- **The conference call** will be broadcast live on our website www.cggveritas.com and a replay will be available for two weeks thereafter

About CGGVeritas

CGGVeritas (www.cggveritas.com) is a leading international pure-play geophysical company delivering a wide range of technologies, services and equipment through Sercel, to its broad base of customers mainly throughout the global oil and gas industry. CGGVeritas is listed on the Euronext Paris SA (ISIN: 0000120164) and the New York Stock Exchange (in the form of American Depositary Shares, NYSE: CGV).

Investor Relations Contacts

Paris:
Christophe Barnini
Tel: +33 1 64 47 38 11
E-Mail: **invrelparis@cggveritas.com**

Houston:
Hovey Cox
Tel: +1 (832) 351-8821
E-Mail: **invrelhouston@cggveritas.com**

The information included herein contains certain forward-looking statements within the meaning of Section 27A of the securities act of 1933 and section 21E of the Securities Exchange Act of 1934. These forward-looking statements reflect numerous assumptions and involve a number of risks and uncertainties as disclosed by the Company from time to time in its filings with the Securities and Exchange Commission. Actual results may vary materially.

CGGVeritas

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2010

CONSOLIDATED BALANCE SHEET

amounts in millions of	June 30, 2010 (unaudited) €	US$ (1)
ASSETS		
Cash and cash equivalents	360.1	441.9
Trade accounts and notes receivable, net	598.9	734.9
Inventories and work-in-progress, net	248.6	305.1
Income tax assets	75.3	92.4
Other current assets, net	117.9	144.7
Assets held for sale, net	77.5	95.1
Total current assets	**1,478.3**	**1,814.1**
Deferred tax assets	100.4	123.2
Investments and other financial assets, net	36.6	44.9
Investments in companies under equity method	75.2	92.3
Property, plant and equipment, net	759.8	932.4
Intangible assets, net	887.1	1,088.5
Goodwill	2,184.4	2,680.5
Total non-current assets	**4,043.5**	**4,961.8**
TOTAL ASSETS	**5,521.8**	**6,775.9**
LIABILITIES AND EQUITY		
Bank overdrafts	5.1	6.3
Current portion of financial debt	56.0	68.7
Trade accounts and notes payable	254.0	311.6
Accrued payroll costs	112.9	138.6
Income taxes liability	28.9	35.5
Advance billings to customers	18.5	22.7
Provisions – current portion	25.5	31.3
Other current liabilities	173.0	212.4
Total current liabilities	**673.9**	**827.1**
Deferred tax liabilities	132.1	162.1
Provisions – non-current portion	91.6	112.4
Financial debt	1,482.0	1,818.5
Other non-current liabilities	32.5	39.9
Total non-current liabilities	**1,738.2**	**2,132.9**
Common stock 215,096,351 shares authorized and 151,409,611 shares with a €0.40 nominal value issued and outstanding at June 30, 2010; 151,146,594 at December 2009	60.6	74.3
Additional paid-in capital	1,967.5	2,414,3
Retained earnings	879.1	1,078.8
Treasury shares	(16.7)	(20.5)
Net income (loss) for the period – Attributable to the Group	(0.4)	(0.5)
Income and expense recognized directly in equity	(10.5)	(12.9)
Cumulative translation adjustment	180.4	221.4
Equity attributable to owners of CGGVeritas SA	**3,060.0**	**3,754.9**
Non controlling interests, presented within equity	49.7	61.0
Total equity	**3,109.7**	**3,815.9**
TOTAL LIABILITIES AND EQUITY	**5,521.8**	**6,775.9**

(1) Dollar amounts represent euro amounts converted at the exchange rate of US$1.227 per € on the balance sheet date.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

except per share data, amounts in millions of	Six months ended June 30, 2010 €	Six months ended June 30, 2010 US$ (1)
Operating revenues	**996.0**	**1,343.0**
Other income from ordinary activities	1.6	2.1
Total income from ordinary activities	**997.6**	**1,345.1**
Cost of operations	(791.8)	(1,067.7)
Gross profit	**205.8**	**277.4**
Research and development expenses, net	(28.8)	(38.8)
General and administrative expenses	(96.5)	(130.2)
Marketing and selling expenses	(30.1)	(40.5)
Other revenues (expenses), net	4.4	5.9
Operating income	**54.8**	**73.8**
Expenses related to financial debt	(51.7)	(69.7)
Income provided by cash and cash equivalents	1.4	1.9
Cost of financial debt, net	**(50.3)**	**(67.8)**
Other financial income (loss)	15.3	20.7
Income of consolidated companies before income taxes	**19.8**	**26.7**
Deferred taxes on currency translation	(2.5)	(3.4)
Other income taxes	(8.6)	(11.7)
Total income taxes	**(11.1)**	**(15.1)**
Net income from consolidated companies	**8.7**	**11.6**
Equity in income of investees	(2.1)	(2.8)
Net income	**6.6**	**8.8**
Attributable to :		
Owners of CGGVeritas SA	(0.4)	(0.6)
Non controlling interests	7.0	9.4
Weighted average number of shares outstanding	151,275,968	151,275,968
Dilutive potential shares from stock-options	403,108	403,108
Dilutive potential shares from free shares	314,773	314,773
Adjusted weighted average number of shares and assumed option exercises when dilutive	151,993,849	151,993,849
Net income (loss) per share attributable to owners of CGGVeritas SA		
Basic	-	-
Diluted	-	-

(1) Dollar amounts represent euro amounts converted at the average exchange rate for the period of US$1.348 per €.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

except per share data, amounts in millions of	Three months ended June 30, 2010 €	US$ (1)
Operating revenues	**498.0**	**646.9**
Other income from ordinary activities	0.7	0.9
Total income from ordinary activities	**498.7**	**647.8**
Cost of operations	(398.9)	(518.4)
Gross profit	**99.8**	**129.4**
Research and development expenses, net	(15.5)	(20.2)
General and administrative expenses	(47.2)	(61.2)
Marketing and selling expenses	(13.4)	(17.3)
Other revenues (expenses), net	4.8	6.4
Operating income	**28.5**	**37.1**
Expenses related to financial debt	(26.5)	(34.5)
Income provided by cash and cash equivalents	0.7	0.9
Cost of financial debt, net	**(25.8)**	**(33.6)**
Other financial income (loss)	7.9	10.3
Income of consolidated companies before income taxes	**10.6**	**13.8**
Deferred taxes on currency translation	0.2	0.4
Other income taxes	(2.2)	(2.7)
Total income taxes	**(2.0)**	**(2.3)**
Net income from consolidated companies	**8.6**	**11.5**
Equity in income of investees	(2.3)	(3.2)
Net income	**6.3**	**8.3**
Attributable to :		
Owners of CGGVeritas SA	2.2	2.9
Non controlling interests	4.1	5.4
Weighted average number of shares outstanding	151,358,044	151,358,044
Dilutive potential shares from stock-options	410,970	410,970
Dilutive potential shares from free shares	314,773	314,773
Adjusted weighted average number of shares and assumed option exercises when dilutive	152,083,787	152,083,787
Net income (loss) per share attributable to owners of CGGVeritas SA		
Basic	0.01	0.02
Diluted	0.01	0.02

(1) Corresponding to the half-year in US dollars less the first quarter in US dollars.

CONSOLIDATED STATEMENTS OF CASH FLOWS

amounts in millions of	June 30, 2010 €	June 30, 2010 US$ (1)
OPERATING		
Net income (loss)	6.6	8.9
Depreciation and amortization	111.4	150.2
Multi-client surveys amortization	80.2	108.1
Variance on provisions	(48.6)	(65.5)
Expense & income calculated on stock-option	7.2	9.7
Net gain on disposal of fixed assets	0.2	0.3
Equity in income of affiliates	2.1	2.8
Dividends received from affiliates	2.2	3.0
Other non-cash items	(10.3)	(13.9)
Net cash including net cost of financial debt and income taxes	**151.0**	**203.6**
Less net cost of financial debt	50.3	67.8
Less income taxes expenses	11.2	15.1
Net cash excluding net cost of financial debt and income taxes	**212.5**	**286.5**
Income taxes paid	(47.5)	(64.0)
Net cash before changes in working capital	**165.0**	**222.5**
- change in trade accounts and notes receivables	31.6	42.6
- change in inventories and work-in-progress	(3.5)	(4.7)
- change in other currents assets	(28.5)	(38.4)
- change in trade accounts and notes payable	15.2	20.5
- change in other current liabilities	(30.2)	(40.7)
Impact of changes in exchange rate	23.1	31.1
Net cash provided by operating activity	**172.7**	**232.9**
INVESTING		
Total purchases of tangible and intangible assets (including variation of fixed assets suppliers)	(86.4)	(116.5)
Increase in multi-client surveys	(128.0)	(172.6)
Proceeds from disposals of tangible and intangible	3.3	4.4
Total net proceeds from financial assets	1.3	1.8
Total net acquisition of investments	(1.2)	(1.6)
Impact of changes in consolidation scope	-	-
Variation in loans granted	(0.4)	(0.5)
Variation in subsidies for capital expenditures	0.8	1.1
Variation in other financial assets	(1.4)	(1.9)
Net cash used in investing activities	**(212.0)**	**(285.8)**
FINANCING		
Repayment of long-term debts	(42.3)	(57.0)
Total issuance of long-term debts	2.2	3.0
Reimbursement on leasing	(44.6)	(60.1)
Change in short-term loans	2.4	3.2
Financial interest paid	(47.8)	(64.4)
Net proceeds from capital increase		
- from shareholders	1.7	2.3
- from non controlling interests of consolidated companies	-	-
Disposal (acquisition) of treasury shares	(3.2)	(4.3)
Dividend paid to non controlling interests	(3.0)	(4.0)
Net cash provided by (used in) financing activities	**(134.6)**	**(181.5)**
Effects of exchange rate changes on cash	53.7	(15.6)
Net increase (decrease) in cash and cash equivalents	**(120.2)**	**(250.0)**
Cash and cash equivalents at beginning of year	**480.3**	**691.9**
Cash and cash equivalents at end of period	**360.1**	**441.9**

(1) Dollar amounts represent euro amounts converted at the average exchange rate for the period of US$1.348 per € (except cash and cash equivalents balances converted at the closing exchange rate of US$1.227 per € at June 30, 2010 and of US$1.441 per € at December 31, 2009).

ANALYSIS BY OPERATING SEGMENT

(in millions of euros)	Six months ended June 30, 2010 Services (a)	Equipment	Eliminations and Adjustments (a)	Consolidated Total
Revenues from unaffiliated customers	**718.8**	**277.2**	**-**	**996.0**
Inter-segment revenues	0.2	72.3	(72.5)	-
Operating revenues	**719.0**	**349.5**	**(72.5)**	**996.0**
Other income from ordinary activities	-	1.6	-	1.6
Total income from ordinary activities	**719.0**	**351.1**	**(72.5)**	**997.6**
Operating income (loss)	**14.2**	**86.0**	**(45.4)**	**54.8**
Equity in income (loss) of investees............................	(2.1)	-	-	(2.1)
Capital expenditures..	211.7	12.3	-	224.0
Depreciation and amortization	173.7	17.1	0.8	191.6
Investments in companies under equity method..........	1.2	-	-	1.2
Identifiable assets	**4,570.7**	**797.0**	**(286.5)**	**5,081.2**
Unallocated and corporate assets.................................				440.6
Total Assets..				**5,521.8**

(a) The segment information related to our Services segment reflects the change in our internal financial reporting occurred in 2010: (i) Operating income for our Services segment is presented after elimination of amortization expense corresponding to past inter-company capital expenditures between our Equipment segment and Services segment; (ii) Capital expenditures for our Services segment are presented after elimination of inter-segment margin. These eliminations were previously presented in "Eliminations and Adjustments".

(in millions of US$)	Six months ended June 30, 2010 Services (1)	Equipment(2)	Eliminations and Adjustments	Consolidated Total (3)
Revenues from unaffiliated customers	**971.0**	**372.0**	**-**	**1,343.0**
Inter-segment revenues	0.2	97.0	(97.2)	-
Operating revenues	**971.2**	**469.0**	**(97.2)**	**1,343.0**
Other income from ordinary activities	-	2.1	-	2.1
Total income from ordinary activities	**971.2**	**471.1**	**(97.2)**	**1,345.1**
Operating income (loss)	**19.2**	**115.4**	**(60.8)**	**73.8**

(1) Dollar amounts represent euro amounts converted at the average exchange rate for the period of US$1.351 per € in 2010 for the Services segment.
(2) Dollar amounts were converted at the average exchange rate of US$1.342 per € in 2010 for the Equipment segment.
(3) Dollar amounts for the Consolidated total were converted at the average exchange rate of US$1.348 per € in 2010, corresponding to the weighted average based on each segment's operating revenues.

ANALYSIS BY OPERATING SEGMENT

(in millions of euros)	Three months ended June 30, 2010 Services (a)	Equipment	Eliminations and Adjustments (a)	Consolidated Total
Revenues from unaffiliated customers	**353.3**	**144.7**	**-**	**498.0**
Inter-segment revenues	-	45.9	(45.9)	-
Operating revenues	**353.3**	**190.6**	**(45.9)**	**498.0**
Other income from ordinary activities	-	0.7	-	0.7
Total income from ordinary activities	**353.3**	**191.3**	**(45.9)**	**498.7**
Operating income (loss)	**4.1**	**50.5**	**(26.1)**	**28.5**
Equity in income (loss) of investees	(2.3)	-	-	(2.3)
Capital expenditures	112.9	9.6	-	122.5
Depreciation and amortization	86.8	8.8	0.4	96.0
Investments in companies under equity method..........	1.2	-	-	1.2

(a) The segment information related to our Services segment for the three months ended June 30, 2010 reflects the change in our internal financial reporting occurred in 2010: (i) Operating income for our Services segment is presented after elimination of amortization expense corresponding to past inter-company capital expenditures between our Equipment segment and Services segment; (ii) Capital expenditures for our Services segment are presented after elimination of inter-segment margin. These eliminations were previously presented in "Eliminations and Adjustments".

(in millions of US$)	Three months ended June 30, 2010 (1) Services	Equipment	Eliminations and Adjustments	Consolidated Total
Revenues from unaffiliated customers	**459.9**	**187.0**	**-**	**646.9**
Inter-segment revenues	-	60.1	(60.1)	-
Operating revenues	**459.9**	**247.1**	**(60.1)**	**646.9**
Other income from ordinary activities..	-	0.9	-	0.9
Total income from ordinary activities	**459.9**	**248.0**	**(60.1)**	**647.8**
Operating income (loss)	**5.1**	**65.8**	**(33.8)**	**37.1**

(1) Corresponding to the half-year in US dollars less the first quarter in US dollars.