CGGVeritas Announces Third Quarter 2010 Results

Revenue Sequentially Stable at $656m

Group Operating Income Contracted to 4%

Backlog Strengthening

PARIS, France – November 9th 2010 – CGGVeritas (ISIN: 0000120164 – NYSE: CGV) announced today its non-audited third quarter 2010 consolidated results. All 2009 results are reported before restructuring.

- Group revenue was $656m, down 10% year-on-year and up 1% sequentially on recovering multi-client sales, including Gulf of Mexico, and continued robust Sercel activity
- Group operating margin at 4% with contrasting performance:
  - Sercel: margin up to 30%, primarily driven by higher land sales
  - Services: negative margin due to challenging contract market conditions in marine and North America onshore, offsetting promising trends in multi-client and high-end imaging. In this continued oversupplied marine environment, vessel upgrades and planned repairs were accelerated. Together with increased transits, this drove vessel utilization rates lower in Q3
- Net income was a loss of $33 million including $13 million taxes this quarter
- Operating cash flow was $82 million including the impact of increased working capital which was mainly related to Sercel activity. After capital expenditure, including the Oceanic Vega, and after financial costs, our free cash flow decreased by $93 million
- Net debt to equity ratio at 41%
- Backlog as of October 1st was sequentially up 9% to $1.6 billion with significant long term contract awards
- Our 4th quarter is expected to benefit from increased Sercel sales and the promising multi-client trend. Operational cash flow should strengthen in the 4th quarter but not enough to compensate for the decrease in cash flow from the first nine months of the year

Third Quarter 2010 key figures

In million $	Second Quarter 2010	Third Quarter 2010	Third Quarter 2009
Group Revenue	**647**	**656**	**731**
Sercel	247	247	203
Services	460	461	571
Group Operating Income	**37**	**27**	**58**
Margin	*6%*	*4%*	*8%*
Sercel	66	74	37
Margin	*27%*	*30%*	*18%*
Services	5	-17	41
Margin	*1%*	*-4%*	*7%*
Net Income	**8**	**-33**	**12**
Net Debt	**1,452**	**1,566**	**1,371**
Net Debt to Equity ratio	*39%*	*41%*	*32%*

CGGVeritas CEO, Jean-Georges Malcor commented:

"CGGVeritas results this quarter reflect the challenging conditions that prevail during the low phase of the cycle we are going through. In this context, although our revenue was sequentially stable, our profitability was impacted by lower vessel utilization rates and difficult marine and North American land contract market conditions.

However, in recent months, we have seen promising signs of increased demand for our high-end solutions and innovative technologies. As an example, our new breakthrough broadband solution BroadSeis, which provides a remarkable step forward in the quality of marine imaging, has received a very strong and positive client response. Land and Marine multi-client sales have strengthened, Sercel again posted a very strong quarter and backlog has increased.

Our goal is to benefit from the increasing interest worldwide for our technology and expertise, while leveraging our high-end position in the progressively recovering seismic market.

Looking towards the future, we remain focused on our three strategic priorities: costs savings, operational performance and technology differentiation. We look forward to communicating our plan and progress towards these priorities during an upcoming market day which will be held in Paris on December 16th 2010."

Third Quarter 2010 Financial Results

Group Revenue

Group revenue was down 10% in $ and up 1% in € year-on-year mainly due to fleet capacity adjustments and low vessel utilization rates while Sercel sales significantly increased. Sequentially, Group revenue was up 1% in $.

	Second Quarter	Third Quarter		Third Quarter	
In millions	2010 ($)	2010 ($)	2009 ($)	2010 (€)	2009 (€)
Group Revenue	**647**	**656**	**731**	**518**	**512**
Sercel Revenue	247	247	203	194	143
Services Revenue	460	461	571	364	400
Eliminations	*-60*	*-51*	*-43*	*-40*	*-31*
Marine contract	195	173	271	137	189
Land contract	79	82	85	65	59
Processing	94	94	101	74	71
Multi-client	92	112	114	88	81
MC marine	60	77	77	60	54
MC land	32	35	37	28	27

Sercel

Year-on-year, revenue was up 21% in $ and 36% in €. Sequentially, revenue was stable in $ and operating margin increased 3 points to 30% confirming the indisputable position of Sercel as the industry leader.

Strong demand for increasing channel counts for high density surveys and regional activity drove sequential growth in land equipment this quarter. Sentinel® solid steamer sales along with increased technology take-up of SeaRay® OBC systems kept marine sales at a good level. Internal sales represented 21% of revenue, including the delivery of the Sentinel streamers and Nautilus® for the Oceanic Vega.

Services

Year-on-year, revenue was down 19% in $ and 9% in €. Sequentially revenue was stable in $ and operating margin was negative this quarter as a consequence of lower vessel utilization rates and challenging contract market conditions in marine and onshore North America.

- Marine contract revenue was down 36% year-on-year in $ and 28% in € due to our vessel reduction plan and lower vessel utilization rates. Sequentially, revenue was down 11% with vessel availability[1] and production[2] rates, both at 87% in a continued low priced market. 90% of the 3D fleet operated on contract, 10% on multi-client. During the quarter, the Oceanic Vega was delivered and successfully completed its first survey in the Barents Sea, before mobilizing to Mexico to acquire a large wide-azimuth dual vessel survey with the Vanquish which was upgraded to 12 Sentinel streamers. Our new superior broadband marine solution, BroadSeis™ continued to generate strong and increasing client interest with eight successful pilot projects since its introduction earlier this year.

- Land contract revenue was down 4% year-on-year in $ and up 10% in €. Sequentially revenue was relatively stable in $ while margins were impacted by challenging land contract conditions in North America. Activity remained high in the Middle East. In Oman, our high channel count contract was extended until the end of 2011. OBC activity continued to grow with the startup of the first of our two new crews in Saudi Arabia. EmphaSeis™ our new broadband land solution was successfully launched with implementation on four vibroseis crews.

- Processing & Imaging revenue was down 7% year-on-year in $ and up 4% in €. Sequentially revenue was stable in $ and profitability remained strong driven by increased demand for our advanced capabilities, such as our leading RTM 3D gather depth processing technology and our reservoir solutions, particularly for shale gas. We now operate 12 dedicated centers and continued to develop our leadership this quarter with a three year extension for one center in Aberdeen, and the opening of another in Copenhagen.

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.

- Multi-client revenue was down 1% year-on-year in $ and 9% in €. Sequentially, we saw promising signs with revenue up 23% in $ mainly fueled by higher marine after-sales, which were up 138%. Capex for the third quarter was reduced to $62 million (€49 million) with prefunding rates increasing to 93%. The amortization rate averaged 52%, with 75% in land and 41% in marine. The Net Book Value of the library at the end of September was $745 million.

  Multi-client marine revenue was sequentially up 29% in $. Capex was $35 million (€29 million). Prefunding was $36 million (€29 million) corresponding to a very high prefunding rate of 102%. After-sales worldwide were strong at $42 million (€33 million), increasing sequentially both in the Gulf-of-Mexico and in Brazil, highlighting the confidence of our clients in the long term value of deep offshore sub-salt plays. The final processing of our recently acquired Three Corner wide-azimuth survey in the Gulf of Mexico is on track for delivery in June 2011. Initial results show a tremendous improvement in the sub-salt section.

  Multi-client land revenue was sequentially up 10% in $ with total sales in US Land breaking a quarterly record. Capex was high this quarter at $27 million (€21 million) as we continue to extend our footprint of prime seismic coverage in the shale gas resource plays. In addition to the ongoing survey in the Haynesville basin, in September we began acquisition of a multi-phase program in the Marcellus basin. Prefunding was $22 million (€17 million), a rate of 81%. After-sales were $14 million (€11 million).

Group EBITDAs was $157 million (€124 million), a margin of 24%.

In millions	Second Quarter 2010 ($)	Third Quarter 2010 ($)	Third Quarter 2009 ($)	Third Quarter 2010 (€)	Third Quarter 2009 (€)
Group EBITDAs	**166**	**157**	**231**	**124**	**163**
Margin	*26%*	*24%*	*32%*	*24%*	*32%*
Sercel EBITDAs	78	86	47	67	32
Margin	*31%*	*35%*	*23%*	*35%*	*23%*
Services EBITDAs	120	99	203	79	143
margin	*26%*	*22%*	*36%*	*22%*	*36%*

Group Operating Income was $27 million (€21 million), a margin of 4%. The strengthening performance of Sercel and increased multi-client sales were offset by the continued low priced marine market, low vessel utilization rates and challenging contract market conditions onshore North America.

In millions	Second Quarter 2010 ($)	Third Quarter 2010 ($)	Third Quarter 2009 ($)	Third Quarter 2010 (€)	Third Quarter 2009 (€)
Group Operating Income	**37**	**27**	**58**	**21**	**41**
Margin	*6%*	*4%*	*8%*	*4%*	*8%*
Sercel Op. Income	66	74	37	58	25
Margin	*27%*	*30%*	*18%*	*30%*	*18%*
Services Op. Income*	5	-17	41	-12	29
Margin	*1%*	*-4%*	*7%*	*-4%*	*7%*

Financial Charges
Financial charges were $36 million (€29 million).

Other financial charges were $9 million (€7 million) following changes in the currency exchange rate this quarter, especially the strengthening of the euro.

Taxes
Taxes were $13 million (€10 million) mainly due to foreign deemed and US taxation

Net Income was a loss of $33 million (€25 million). After the positive impact of minority interests of $3 million (€2 million), EPS was €-0.18 per ordinary share and $-0.23 per ADS.

Cash Flow

Cash Flow from Operations

Cash flow from operations was $82 million (€66 million).

Capex
Global Capex was $169 million (€140 million) this quarter, an increase of 14% year-on-year.

- Industrial Capex was $107 million (€91 million)
- Multi-client Capex was $62 million (€49 million) a reduction of 9% in $ year on year with a 93% prefunding rate

In million $	Second Quarter 2010	Third Quarter 2010	Third Quarter 2009
Capex	163	169	148
Industrial	78	107	79
Multi-client	86	62	68

Free Cash Flow
After interest expenses paid during the quarter, free cash flow was negative at $93 million with high levels of working capital requirements.

Third Quarter 2010 Comparisons with Third Quarter 2009

Consolidated Income Statement In millions	Second Quarter 2010 ($)	Third Quarter 2010 ($)	 2009 ($)	Third Quarter 2010 (€)	 2009 (€)
Exchange rate euro/dollar	*1.303*	*1.266*	*1.335*	*1.266*	*1.335*
Operating Revenue	646.9	656.3	731.4	517.7	512.2
Sercel	*247.0*	*246.9*	*203.3*	*194.3*	*142.8*
Services	*459.8*	*460.8*	*570.9*	*363.7*	*400.0*
Elimination	*-60.1*	*-51.2*	*-42.8*	*-40.3*	*-30.6*
Gross Profit	**129.4**	**102.4**	**151.0**	**81.8**	**104.5**
Operating Income	**37.1**	**26.5**	**57.7**	**21.2**	**40.7**
Sercel	*65.8*	*74.0*	*36.5*	*57.9*	*25.2*
*Services**	*5.1*	*-16.5*	*40.6*	*-12.2*	*29.0*
*Corporate and Elimination**	*-33.8*	*-31.0*	*-19.4*	*-24.5*	*-13.5*
Net Financial Costs	**-23.2**	**-45.4**	**-47.1**	**-35.1**	**-33.4**
Income Tax	**-2.7**	**-13.0**	**-6.1**	**-10.0**	**-4.3**
Deferred Tax on Currency Translation	**0.4**	**0.9**	**3.7**	**0.6**	**2.6**
Income from Equity Investments	**-3.2**	**-1.5**	**4.0**	**-1.2**	**2.9**
Net Income	**8.3**	**-32.6**	**12.2**	**-24.6**	**8.4**
Earnings per share (€) / per ADS ($)	**0.02**	**-0.23**	**0.07**	**-0.18**	**0.05**
EBITDAs	**166.4**	**156.8**	**231.3**	**124.0**	**162.8**
Sercel	*77.7*	*86.1*	*46.8*	*67.4*	*32.4*
Services	*120.2*	*99.2*	*203.2*	*79.1*	*143.4*
Industrial Capex	77.7	106.9	*79.2*	*90.5*	56.2
Multi-client Capex	85.7	61.7	*68.4*	*49.4*	47.3

Year to Date 2010 Financial Results

Group Revenue

Group Revenue was down 15% in $ and 13% in € year-on-year, reflecting our fleet capacity reduction program and the low priced marine market, masking the strengthening performance of Sercel, up 11% in $ and up 15% in €.

In millions	YTD 2010 ($)	YTD 2009 ($)	YTD 2010 (€)	YTD 2009 (€)
Group Revenue	**1,999**	**2,361**	**1,514**	**1,733**
Sercel Revenue	716	643	544	472
Services Revenue	1,432	1,817	1,083	1,334
Eliminations	*-148*	-98	*-113*	-72
Marine contract	571	905	432	664
Land contract	276	301	208	221
Processing	281	299	212	219
Multi-client	305	312	230	229
MC marine	211	250	159	183
MC land	94	62	71	46

Group EBITDAs was $499 million (€378 million), a margin of 25%.

In millions	YTD 2010 ($)	YTD 2009 ($)	YTD 2010 (€)	YTD 2009 (€)
Group EBITDAs	**499**	**746**	**378**	**548**
margin	*25%*	*32%*	*25%*	*32%*
Sercel EBITDAs	226	178	171	130
margin	*31%*	*28%*	*31%*	*28%*
Services EBITDAs	356	634	269	466
margin	*25%*	*35%*	*25%*	*35%*

Group Operating Income was $100 million (€76 million), a margin of 5%.

In millions	YTD 2010 ($)	YTD 2009 ($)	YTD 2010 (€)	YTD 2009 (€)
Group Operating Income	**100**	**256**	**76**	**189**
Margin	*5%*	*11%*	*5%*	*11%*
Sercel Op. Income	189	148	144	108
margin	*26%*	*23%*	*26%*	*23%*
Services Op. Income*	3	183	2	135
margin	*NS*	*10%*	*NS*	*10%*

Financial Charges
Financial charges were $104 million (€79 million).

Other financial income was $12 million (€9 million).

Net Income was a loss of $24 million (€18 million). After the positive impact of minority interests of $12 million (€9 million), EPS was €-0.18 per ordinary share and $-0.24 per ADS.

Cash Flow

Cash Flow from Operations
Cash flow from operations was $315 million (€238 million).

Capex
Global Capex was $471 million (€356 million), stable year-on-year.

- Industrial Capex was $236 million (€179 million)
- Multi-client Capex was $234 million (€177 million), a reduction of 10% year on year, in $ with a 70% prefunding rate

	YTD	
In million $	2010	2009
Capex	471	470
Industrial	236	208
Multi-client	234	261

Free Cash Flow
After interest expenses paid during the first nine months, free cash flow was negative at $213 million.

Balance Sheet

Net Debt to Equity Ratio
The Group's gross debt was $1.915 billion at the end of September 2010, corresponding to €1.403 billion with a 1.365 euro/dollar closing exchange rate.

With $349 million (€256 million) in available cash, Group net debt was $1.566 billion (€1.148 billion).

Net debt to equity ratio, at the end of September 2010, was 41%.

Year to Date 2010 Comparisons with Year to Date 2009

Consolidated Income Statement In millions	YTD 2010 ($)	 2009 ($)	YTD 2010 (€)	 2009 (€)
Exchange rate euro/dollar	*1.321*	*1.335*	*1.321*	*1.335*
Operating Revenue	1 999.3	2 361.4	1 513.7	1 733.3
Sercel	*715.9*	*643.1*	*543.8*	*471.8*
Services	*1 431.7*	*1 816.7*	*1 082.6*	*1 333.6*
Elimination	*-148.2*	*-98.3*	*-112.6*	*-72.1*
Gross Profit	**379.8**	**571.4**	**287.6**	**419.4**
Operating Income	**100.3**	**256.3**	**75.9**	**189.4**
Sercel	*189.4*	*147.5*	*143.9*	*108.2*
*Services**	*2.7*	*182.6*	*2.0*	*135.3*
*Corporate and Elimination**	*-91.8*	*-73.7*	*-70.0*	*-54.1*
Net Financial Costs	**-92.5**	**-119.6**	**-70.1**	**-87.7**
Income Tax	**-24.7**	**-18.2**	**-18.7**	**-13.3**
Deferred Tax on Currency Translation	**-2.5**	**11.3**	**-1.9**	**8.3**
Income from Equity Investments	**-4.3**	**7.3**	**-3.3**	**5.3**
Net Income	**-23.8**	**106.2**	**-18.0**	**78.7**
Earnings per share (€) / per ADS ($)	**-0.24**	**0.29**	**-0.18**	**0.22**
EBITDAs	**498.7**	**745.6**	**377.5**	**548.1**
Sercel	*225.5*	*177.5*	*171.3*	*130.2*
Services	*356.2*	*633.9*	*269.3*	*466.2*
Industrial Capex	236.3	*208.4*	*178.9*	152.9
Multi-client Capex	234.3	*261.2*	*177.4*	191.8

* 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 second and third quarters 2009 was restated to reflect this change in our internal financial reporting.

Other Information

- A French language conference call is scheduled today, November 9, 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 67
- International call-in	+44 808 238 1769
- Replay	+33 1 72 00 15 01 & +44 203 367 94 60
	Code: 271373 #

- An English language conference call is also 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 five to ten 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: 342 713

You will be asked for the name of the conference: "CGGVeritas Q3 2010 results".

- Copies of the presentation and detailed financial results are posted on the Company website and can be downloaded.

The conference call will be broadcast live on the CGGVeritas 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).

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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
September 30, 2010

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET

amounts in millions of	September 30, 2010 €	September 30, 2010 US$ (1)
ASSETS		
Cash and cash equivalents	255.7	349.0
Trade accounts and notes receivable, net	609.9	832.4
Inventories and work-in-progress, net	257.5	351.4
Income tax assets	54.8	74.8
Other current assets, net	119.7	163.3
Assets held for sale, net	74.5	101.7
Total current assets	**1,372.1**	**1,872.6**
Deferred tax assets	113.7	155.2
Investments and other financial assets, net	33.2	45.4
Investments in companies under equity method	71.7	97.9
Property, plant and equipment, net	701.8	957.9
Intangible assets, net	816.4	1,114.2
Goodwill	1,970.6	2,689.4
Total non-current assets	**3,707.4**	**5,060.0**
TOTAL ASSETS	**5,079.5**	**6,932.6**
LIABILITIES AND EQUITY		
Bank overdrafts	2.2	3.0
Current portion of financial debt	67.2	91.7
Trade accounts and notes payable	264.9	361.6
Accrued payroll costs	105.6	144.1
Income taxes liability	23.8	32.5
Advance billings to customers	19.1	26.0
Provisions – current portion	16.0	21.8
Other current liabilities	157.2	214.6
Total current liabilities	**656.0**	**895.3**
Deferred tax liabilities	143.2	195.5
Provisions – non-current portion	84.9	115.9
Financial debt	1,333.9	1,820.5
Other non-current liabilities	32.7	44.6
Total non-current liabilities	**1,594.7**	**2,176.5**
Common stock 228,050,011 shares authorized and 151,416,626 shares with a €0.40 nominal value issued and outstanding at September 30, 2010 and 151,146,594 at December 31, 2009	60.6	82.7
Additional paid-in capital	1,967.5	2,685.2
Retained earnings	882.3	1,204.2
Treasury shares	(16.5)	(22.5)
Net income (loss) for the period – Attributable to the Group	(27.0)	(36.9)
Income and expense recognized directly in equity	(2.6)	(3.5)
Cumulative translation adjustment	(83.4)	(113.8)
Equity attributable to owners of CGGVeritas SA	**2,780.9**	**3,795.4**
Non controlling interests, presented within equity	47.9	65.4
Total equity	**2,828.8**	**3,860.8**
TOTAL LIABILITIES AND EQUITY	**5,079.5**	**6,932.6**

(1) Dollar amounts represent euro amounts converted at the exchange rate of US$1.365 per € on the balance sheet date.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

except per share data, amounts in millions of	Nine months ended September 30, 2010 €	Nine months ended September 30, 2010 US$ (1)
Operating revenues	**1,513.7**	**1,999.3**
Other income from ordinary activities	2.5	3.3
Total income from ordinary activities	**1,516.2**	**2,002.6**
Cost of operations	(1,228.6)	(1,622.8)
Gross profit	**287.6**	**379.8**
Research and development expenses, net	(45.2)	(59.6)
General and administrative expenses	(132.1)	(174.5)
Marketing and selling expenses	(45.1)	(59.6)
Other revenues (expenses), net	10.7	14.2
Operating income	**75.9**	**100.3**
Expenses related to financial debt	(80.7)	(106.6)
Income provided by cash and cash equivalents	1.9	2.5
Cost of financial debt, net	**(78.8)**	**(104.1)**
Other financial income (loss)	8.8	11.6
Income of consolidated companies before income taxes	**5.9**	**7.8**
Deferred taxes on currency translation	(1.9)	(2.5)
Other income taxes	(18.7)	(24.7)
Total income taxes	**(20.6)**	**(27.2)**
Net income from consolidated companies	**(14.7)**	**(19.4)**
Equity in income of investees	(3.3)	(4.3)
Net income (loss)	**(18.0)**	**(23.7)**
Attributable to :		
Owners of CGGVeritas SA	(27.0)	(35.6)
Non controlling interests	9.0	11.9
Weighted average number of shares outstanding	151,314,859	151,314,859
Dilutive potential shares from stock-options	386,508	386,508
Dilutive potential shares from free shares	314,773	314,773
Adjusted weighted average number of shares and assumed option exercises when dilutive	152,016,140	152,016,140
Net income (loss) per share attributable to owners of CGGVeritas SA		
Basic	(0.18)	(0.24)
Diluted	(0.18)	(0.24)

(1) Dollar amounts represent euro amounts converted at the average exchange rate for the period of US$1.321 per €.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF OPERATIONS

except per share data, amounts in millions of	Three months ended September 30, 2010 €	Three months ended September 30, 2010 US$ (1)
Operating revenues	**517.7**	**656.3**
Other income from ordinary activities	0.9	1.2
Total income from ordinary activities	**518.6**	**657.5**
Cost of operations	(436.8)	(555.1)
Gross profit	**81.8**	**102.4**
Research and development expenses, net	(16.4)	(20.8)
General and administrative expenses	(35.6)	(44.3)
Marketing and selling expenses	(15.1)	(19.1)
Other revenues (expenses), net	6.4	8.3
Operating income	**21.1**	**26.5**
Expenses related to financial debt	(29.0)	(36.9)
Income provided by cash and cash equivalents	0.5	0.6
Cost of financial debt, net	**(28.5)**	**(36.3)**
Other financial income (loss)	(6.5)	(9.1)
Income of consolidated companies before income taxes	**13.9**	**(18.9)**
Deferred taxes on currency translation	0.5	0.9
Other income taxes	(10.0)	(13.0)
Total income taxes	**(9.5)**	**(12.1)**
Net income from consolidated companies	**(23.4)**	**(31.0)**
Equity in income of investees	(1.2)	(1.5)
Net income (loss)	**(24.6)**	**(32.5)**
Attributable to :		
Owners of CGGVeritas SA	(26.6)	(35.0)
Non controlling interests	2.0	2.5
Weighted average number of shares outstanding	151,412,779	151,412,779
Dilutive potential shares from stock-options	331,736	331,736
Dilutive potential shares from free shares	314,773	314,773
Adjusted weighted average number of shares and assumed option exercises when dilutive	152,059,288	152,059,288
Net income (loss) per share attributable to owners of CGGVeritas SA		
Basic	(0.18)	(0.23)
Diluted	(0.18)	(0.23)

(1) Corresponding to the nine months ended September 30 in US dollars less the six months ended June in US dollars.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

amounts in millions of	Nine months ended September 30, 2010 €	US$ (1)
OPERATING		
Net income (loss)	(18.0)	(23.7)
Depreciation and amortization	164.7	217.5
Multi-client surveys amortization	126.0	166.4
Variance on provisions	(55.5)	(73.3)
Expense & income calculated on stock-option	11.0	14.5
Net gain on disposal of fixed assets	(0.4)	(0.5)
Equity in income of affiliates	3.3	4.4
Dividends received from affiliates	2.4	3.2
Other non-cash items	(13.8)	(18.3)
Net cash including net cost of financial debt and income taxes	**219.7**	**290.2**
Less net cost of financial debt	78.8	104.1
Less income taxes expenses	20.6	27.2
Net cash excluding net cost of financial debt and income taxes	**319.1**	**421.5**
Income taxes paid	(49.3)	(65.1)
Net cash before changes in working capital	**269.8**	**356.4**
- change in trade accounts and notes receivables	(31.1)	(41.1)
- change in inventories and work-in-progress	(24.2)	(32.0)
- change in other currents assets	(26.2)	(34.6)
- change in trade accounts and notes payable	51.7	68.3
- change in other current liabilities	(19.1)	(25.2)
Impact of changes in exchange rate	17.5	23.1
Net cash provided by operating activity	**238.4**	**314.9**
INVESTING		
Total purchases of tangible and intangible assets (including variation of fixed assets suppliers)	(165.2)	(218.2)
Increase in multi-client surveys	(177.4)	(234.3)
Proceeds from disposals of tangible and intangible	4.5	5.9
Total net proceeds from financial assets	2.0	2.6
Total net acquisition of investments	(1.2)	(1.6)
Impact of changes in consolidation scope	-	-
Variation in loans granted	1.4	1.8
Variation in subsidies for capital expenditures	0.1	0.1
Variation in other financial assets	0.9	1.2
Net cash used in investing activities	**(334.9)**	**(442.3)**
FINANCING		
Repayment of long-term debts	(47.4)	(62.6)
Total issuance of long-term debts	2.2	3.0
Reimbursement on leasing	(50.8)	(67.1)
Change in short-term loans	(0.7)	(0.9)
Financial interest paid (2)	(57.2)	(75.5)
Net proceeds from capital increase		
- from shareholders	1.7	2.2
- from non controlling interests of consolidated companies	-	-
Disposal (acquisition) of treasury shares	(3.0)	(4.0)
Dividend paid to non controlling interests	(3.0)	(4.0)
Net cash provided by (used in) financing activities	**(158.2)**	**(208.9)**
Effects of exchange rate changes on cash	30.1	(6.6)
Net increase (decrease) in cash and cash equivalents	**(224.6)**	**(342.9)**
Cash and cash equivalents at beginning of year	**480.3**	**691.9**
Cash and cash equivalents at end of period	**255.7**	**349.0**

(1) US$ amounts represent € amounts converted at the average exchange rate for the period of US$1.321 per € (except cash and cash equivalents balances converted at the closing exchange rate of US$1.365 per € at September 30, 2010 and of US$1.441 per € at December 31, 2009). (2) Includes US$4.5 million related to issuing (amendment of Term Loan B).

ANALYSIS BY OPERATING SEGMENT

(in millions of euros)	Nine months ended September 30, 2010			
	Services	Equipment	Eliminations and Adjustments	Consolidated Total
Revenues from unaffiliated customers	**1,082.5**	**431.2**	**-**	**1,513.7**
Inter-segment revenues	0.6	112.6	(113.2)	-
Operating revenues	**1,083.1**	**543.8**	**(113.2)**	**1,513.7**
Other income from ordinary activities	-	2.5	-	2.5
Total income from ordinary activities	**1,083.1**	**546.3**	**(113.2)**	**1,516.2**
Operating income (loss)	**2.0**	**143.9**	**(70.0)** (a)	**75.9**
Equity in income (loss) of investees	(3.5)	0.2	-	(3.3)
Capital expenditures (b)	329.8	19.1	7.5	356.4
Depreciation and amortization (c)	263.4	26.2	1.1	290.7

(a) Includes general corporate expenses of €29.7 million for the nine months ended September 30, 2010 and €27.9 million for the comparable period in 2009.

(b) Includes (i) investments in multi-client surveys of €177.4 million for the nine months ended September 30, 2010 and €191.8 million for the nine months ended September 30, 2009, (ii) equipment acquired under capital leases for €9.9 million for the nine months ended September 30, 2010 and €22.7 for the comparable period of 2009, (iii) capitalized development costs of €15.7 million for the nine months ended September 30, 2010 and €9.2 million for the comparable period of 2009 in the Services segment. Capitalized development costs in the Equipment segment were €2.0 million for the nine months ended September 30, 2010 and €1.2 million for the comparable period of 2009

(c) Includes multi-client survey amortization of €126.0 million for the nine months ended September 30, 2010 and €150.0 million for the comparable period of 2009.

(in millions of US$)	Nine months ended September 30, 2010			
	Services (1)	Equipment(2)	Eliminations and Adjustments	Consolidated Total (3)
Revenues from unaffiliated customers	**1,431.6**	**567.7**	**-**	**1,999.3**
Inter-segment revenues	0.7	148.2	(148.9)	-
Operating revenues	**1,432.3**	**715.9**	**(148.9)**	**1,999.3**
Other income from ordinary activities	-	3.3	-	3.3
Total income from ordinary activities	**1,432.3**	**719.2**	**(148.9)**	**2,002.6**
Operating income (loss)	**2.7**	**189.4**	**(91.8)**	**100.3**

(1) Dollar amounts represent euro amounts converted at the average exchange rate for the period of US$1.323 per € in 2010.

(2) Dollar amounts were converted at the average exchange rate of US$1.317 per € for the Equipment segment.

(3) Dollar amounts for the Consolidated total were converted at the rate of US$1.321 per €, corresponding to the weighted average based on each segment's operating revenues.

ANALYSIS BY OPERATING SEGMENT

(in millions of euros)	Three months ended September 30, 2010			
	Services	Equipment	Eliminations and Adjustments	Consolidated Total
Revenues from unaffiliated customers	**363.7**	**154.0**	**-**	**517.7**
Inter-segment revenues	0.3	40.3	(40.6)	-
Operating revenues	**364.0**	**194.3**	**(40.6)**	**517.7**
Other income from ordinary activities	-	0.9	-	0.9
Total income from ordinary activities	**364.0**	**195.2**	**(40.6)**	**518.6**
Operating income (loss)	**(12.2)**	**57.9**	**(24.6)** [(a)]	**21.1**
Equity in income (loss) of investees	(1.4)	0.2	-	(1.2)
Capital expenditures (b)	118.1	6.8	7.5	132.4
Depreciation and amortization (c)	(89.7)	(9.1)	(0.3)	(99.1)

(a) Includes general corporate expenses of €8.1 million for the three months ended September 30, 2010 and €7.6 million for the comparable period in 2009.

(b) Includes (i) investments in multi-client surveys of €49.4 million for the three months ended September 30, 2010 and €47.3 million for the three months ended September 30, 2009 (ii) equipment acquired under capital leases for €9.9 million for the three months ended September 30, 2010 and none for the comparable period of 2009, (iii) and capitalized development costs of 8.9 million for the three months ended September 30, 2010 and €2.8 million for the comparable period of 2009, in the Services segment. Capitalized development costs in the Equipment segment were €0.6 million for the three months ended September 30, 2010 and €0.2 million for the comparable period of 2009.

(c) Includes multi-client survey amortization of €45.8 million for the three months ended September 30, 2010 and €61.0 million for the comparable period of 2009.

(in millions of US$)	Three months ended September 30, 2010 (1)			
	Services	Equipment	Eliminations and Adjustments	Consolidated Total
Revenues from unaffiliated customers	**460.6**	**195.7**	**-**	**656.3**
Inter-segment revenues	0.5	51.2	(51.7)	-
Operating revenues	**461.1**	**246.9**	**(51.7)**	**656.3**
Other income from ordinary activities	-	1.2	-	1.2
Total income from ordinary activities	**461.1**	**248.1**	**(51.7)**	**657.5**
Operating income (loss)	**(16.5)**	**74.0**	**(31.0)**	**26.5**

(1) Corresponding to the nine months ended September 30 in US dollars less the six months ended June 30 in US dollars.