

CGG VERITAS
Form 424B5
February 05, 2007

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Filed pursuant to Rule 424(b)(5) under the Securities Act of 1933
Commission File No. 333-140274
and No. 333-140275

\$600,000,000

Compagnie Générale de Géophysique-Veritas

\$200,000,000 7¹/₂% Senior Notes due 2015

\$400,000,000 7³/₄% Senior Notes due 2017

Guaranteed on a senior basis by certain subsidiaries

We are offering an additional \$200,000,000 principal amount of our 7¹/₂% Senior Notes due 2015 (the additional notes) and \$400,000,000 principal amount of our 7³/₄% Senior Notes due 2017 (the new notes , and together with the additional notes, the notes).

The Additional Notes

The additional notes will mature on May 15, 2015. We will pay interest on the additional notes each May 15 and November 15. We will make the first payment on May 15, 2007 for interest accrued and unpaid from November 15, 2006. The additional notes constitute a further issuance of our 7¹/₂% Senior Notes due 2015 first issued in a principal amount of \$165,000,000 on April 28, 2005 and issued in an additional principal amount of \$165,000,000 on February 3, 2006 (together, the existing notes). The sales of the existing notes were not registered under the Securities Act of 1933 but were the subject of subsequent exchange offers for identical notes registered with the Securities and Exchange Commission. The additional notes and the existing notes will be treated as the same series of notes under the indenture dated April 28, 2005 pursuant to which the existing notes were issued.

We may redeem all or a part of the additional notes at any time on or after May 15, 2010 at the redemption prices described in this prospectus. We may redeem up to 35% of the aggregate principal amount of the existing notes and the additional notes prior to May 15, 2008 using the proceeds of certain equity offerings. At any time prior to May 15, 2010, we may redeem all or part of the additional notes at a redemption price equal to 100% of the principal amount of the additional notes plus the applicable premium described in this prospectus. We may also redeem all, but not less than all, of the additional notes at a redemption price equal to 100% of the principal amount of the additional notes in the event of certain changes in tax laws. If we undergo a change of control, each holder may require us to repurchase all or a portion of the additional notes at 101% of the principal amount thereof, plus accrued and unpaid interest.

The New Notes

The new notes will mature on May 15, 2017. We will pay interest on the new notes each May 15 and November 15. We will make the first payment on May 15, 2007 for interest accrued and unpaid from the issue date of the new notes. The new notes will be issued pursuant to a new indenture. We may redeem all or a part of the new notes at any time on or after May 15, 2012 at the redemption prices described in this prospectus. We may redeem up to 35% of the new notes prior to May 15, 2010 using the proceeds of certain equity offerings. At any time prior to May 15, 2012, we may redeem all or part of the new notes at a redemption price equal to 100% of the principal amount of the new notes plus the applicable premium described in this prospectus. We may also redeem all, but not less than all, of the new notes at a redemption price equal to 100% of the principal amount of the new notes in the event of certain changes in tax laws. If we undergo a change of control, each holder may require us to repurchase all or a portion of the new notes at 101% of the principal amount thereof, plus accrued and unpaid interest.

The notes will be our senior unsecured obligations and will be initially guaranteed on a senior unsecured basis by certain of our subsidiaries. The notes will rank equally in right of payment with all our other existing and future senior unsecured indebtedness and senior in right of payment to all our existing and future subordinated indebtedness. The notes and the subsidiary guarantees will be effectively subordinated to all our secured obligations and all secured obligations of our subsidiaries that guarantee the notes to the extent of the value of the collateral. The notes will also be effectively junior to all obligations of our subsidiaries that do not guarantee the notes.

Application has been made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market (Euro MTF).

Investing in the notes involves risks. See Risk Factors beginning on page 22.

	Price to public(1)	Underwriting discounts and commissions	Proceeds (before expenses) to issuer(1)
Per additional note	100.00%	1.75%	98.25%
Total	\$ 200,000,000	\$ 3,500,000	\$ 196,500,000
Per new note	100.00%	1.75%	98.25%
Total	\$ 400,000,000	\$ 7,000,000	\$ 393,000,000

(1) In the case of the additional notes, plus accrued and unpaid interest from and including November 15, 2006 to but excluding the delivery date and in the case of the new notes, plus accrued and unpaid interest from and including the issue date of the new notes to but excluding the delivery date.

Delivery of the notes in book-entry form will be made on or about February 9, 2007.

Neither the Securities and Exchange Commission, any state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

Sole Bookrunner and Lead Manager

Credit Suisse

Joint Lead Managers

BNP PARIBAS

Natexis Bleichroeder Inc.

Co-Managers

Calyon Securities

SOCIETE GENERALE

The date of this prospectus is February 2, 2007.

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities and may only be used for the purposes for which it has been published. The information in this document may only be accurate on the date of this document.

In connection with this offering, Credit Suisse Securities (Europe) Limited may over-allot or effect transactions for a limited period of time with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail. However, Credit Suisse Securities (Europe) Limited is not obliged to do this. Such stabilizing, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.

NOTICE TO INVESTORS

CGGVeritas, having made all reasonable inquiries, confirms to the best of its knowledge, information and belief that the information contained in this prospectus with respect to CGGVeritas and its consolidated subsidiaries and affiliates taken as a whole and the notes offered hereby is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this document are honestly held and that there are no other facts the omission of which would make this prospectus as a whole misleading in any material respect. Subject to the following paragraph, CGGVeritas accepts responsibility for the information contained in this prospectus.

The information contained under the section "Exchange Rates" includes extracts from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing the information

concerning exchange rate information, we accept no further responsibility in respect of such information. The information set out in relation to sections of this prospectus describing clearing and settlement arrangements, including the sections entitled Description of the Additional Notes Book Entry, Delivery and Form and Description of the New Notes Book Entry, Delivery and Form , is

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subject to any change or reinterpretation of the rules, regulations and procedures of Cede & Co., Euroclear Bank S.A./ N.V. (Euroclear) or Clearstream Banking, société anonyme (Clearstream) currently in effect. While we accept responsibility for accurately summarizing the information concerning Cede & Co., Euroclear and Clearstream, we accept no further responsibility in respect of such information. In addition, this prospectus contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us.

We are providing this prospectus only to prospective purchasers of the notes. You should read this prospectus before making a decision whether to purchase any notes.

This prospectus does not constitute an offer to sell or an invitation to subscribe for or purchase any of the notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, other than the United States. Accordingly, the notes may not be offered or sold, directly or indirectly, and this prospectus may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable to such jurisdiction. You must comply with all laws that apply to you in any place in which you buy, offer or sell any notes or possess this prospectus. You must also obtain any consents or approvals that you need in order to purchase, offer or sell any notes or possess or distribute this prospectus. We and the underwriters are not responsible for your compliance with any of the foregoing legal requirements.

We are not, the underwriters are not, and none of our respective representatives are making an offer to sell the notes in any jurisdiction except where an offer or sale is permitted. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time. This prospectus is based on information provided by us and by other sources that we believe are reliable. We cannot assure you that this information is accurate or complete. The underwriters named in this prospectus make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained or incorporated by reference in this prospectus is, or shall be relied upon as, a promise or representation by the underwriters with respect to the notes as to the past or the future.

The information contained in this prospectus speaks as of the date hereof. Neither the delivery of this prospectus at any time after the date of publication nor any subsequent commitment to purchase the notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this prospectus or in our business since the date of this prospectus.

We are not, the underwriters are not, and none of our respective representatives are making any representation to you regarding the legality of an investment in the notes by you under any legal, investment or similar laws or regulations. You should not consider any information in this prospectus to be legal, business, tax or other advice. You should consult your own attorney, business advisor and tax advisor for legal, financial, business and tax and related aspects of an investment in the notes. You are responsible for making your own examination of us and our business and your own assessment of the merits and risks of investing in the notes.

The notes will be issued in the form of one or more global notes, which will be deposited with, or on behalf of, a common depositary for the accounts of Cede & Co., Euroclear and Clearstream. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by Cede & Co., Euroclear and/or Clearstream and their participants, as applicable. See Description of the Additional Notes Book Entry, Delivery and Form and Description of the New Notes Book Entry, Delivery and Form .

This prospectus sets out the procedures of Cede & Co., Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the notes among participants of Euroclear and Clearstream. However, neither Cede & Co., Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures and such procedures may be modified or discontinued by either of them at any time. We will not, nor will any of our agents, have responsibility for the performance of the respective

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obligations of Cede & Co., Euroclear, Clearstream or their respective participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

We reserve the right to withdraw this offering of the notes at any time. We and the underwriters also reserve the right to reject any offer to purchase the notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the notes sought by it. The underwriters and certain of their respective related entities may acquire, for their own accounts, a portion of the notes.

This prospectus has not received the visa of the French *Autorité des Marchés Financiers* (AMF) and accordingly may not be used in connection with any offer or sale of the notes to the public in France.

This prospectus has been prepared on the basis that all offers of notes will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the European Economic Area (EEA), from the requirement to produce a prospectus for offers of notes. Accordingly any person making or intending to make any offer within the EEA of notes which are the subject of the placement contemplated in this prospectus should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of notes through any financial intermediary, other than offers made by the underwriters which constitute the final placement of notes contemplated in this prospectus.

Each person in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) who receives any communication in respect of, or who acquires any notes under, the offering contemplated in this prospectus will be deemed to have represented, warranted and agreed to with each underwriter and us that:

- (a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (b) in the case of any notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the underwriters has been given to the offer or resale; or (ii) where notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Directive as having been made to such persons. For the purposes of this representation, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

We expect that delivery of the notes will be made against payment therefor on or about the closing date specified on the cover page of this prospectus, which will be the fifth business day following the date of pricing of the notes (this settlement cycle being referred to as T+5). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of this prospectus or the next succeeding two business days will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to make such trades should consult their own adviser.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934 (the Exchange Act) applicable to foreign private issuers. In accordance with the Exchange Act, we electronically file reports, including annual reports on Form 20-F and interim reports on Form 6-K, and other information with the Securities and Exchange Commission.

You may obtain these reports and other information by sending a written request to CGGVeritas, Tour Maine-Montparnasse, 33 avenue de Maine, BP 191, 75755 Paris CEDEX 15, France, Attention: Investor Relations Officer, Telephone: (33) 1 64 47 45 00.

You can inspect and copy these reports, and other information, without charge, at the Public Reference Room of the Commission located at 100 F. Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The Commission also maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission.

In addition, you can inspect material filed by CGG, Veritas and CGGVeritas at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which American Depositary Shares representing shares of our common stock are listed. As a foreign private issuer, we are not subject to the proxy rules under Section 14 or the short-swing insider profit disclosure rules under Section 16 of the Exchange Act.

All information referred to above will, for so long as the notes are listed on the Luxembourg Stock Exchange, also be available, without charge, at the specified office of the Paying Agent in Luxembourg during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this prospectus.

On January 12, 2007, following the completion of the merger with CGG, Veritas was delisted from the New York Stock Exchange and filed a Form 15 to terminate its registration and reporting obligations under the Exchange Act.

PRESENTATION OF INFORMATION

In this prospectus, references to United States or U.S. are to the United States of America, references to U.S. dollars or \$ are to United States dollars, references to France are to the Republic of France, references to Norway are to the Kingdom of Norway, references to NOK are to Norwegian kroner and references to euro or are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Union.

Unless otherwise indicated, statements in this prospectus relating to market share, ranking and data are derived from management estimates based, in part, on independent industry publications, reports by market research firms or other published independent sources. Any discrepancies in any table between totals and the sums of the amounts listed in such table are due to rounding.

As used in this prospectus CGG refers to Compagnie Générale de Géophysique and its subsidiaries, except as otherwise indicated, Veritas refers to Veritas DGC Inc. and its subsidiaries before the merger between CGG and Veritas and to CGGVeritas Services Inc. following such merger, except as otherwise indicated, and CGGVeritas , we , us and our refer to Compagnie Générale de Géophysique-Veritas and its subsidiaries, except as otherwise indicated.

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INCORPORATION BY REFERENCE

The Commission allows us to incorporate by reference the information we file with the Commission in other documents, which means:

incorporated documents are considered part of this prospectus;

we can disclose important information to you by referring you to those documents; and

information that we file with the Commission after the date of this prospectus and incorporate by reference herein automatically updates and supersedes this prospectus and information previously incorporated by reference herein.

We incorporate by reference the following document that we have previously filed with the Commission:

SEC Filing

Filing Date

CGG's Form 20-F for the fiscal year ended December 31, 2005

May 9, 2006

In addition, we incorporate by reference each of the following documents that we will file with the Commission (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with the rules of the Commission) between the date of this prospectus and termination of the offering of the notes:

all annual reports on Form 20-F we file with the Commission; and

any future reports furnished on Form 6-K that indicate that they are incorporated by reference in this prospectus.

You may obtain a copy of any of the documents referred to above (excluding exhibits) at no cost by contacting us at the following address:

Compagnie Générale de Géophysique-Veritas
Tour Maine-Montparnasse
33 avenue de Maine
BP 191
75755 Paris CEDEX 15
Attention: Investor Relations Officer
Tel: (33) 1 64 47 45 00

In addition, for so long as the notes are listed on the Luxembourg Stock Exchange, you may obtain a copy of any of the documents referred to above (excluding exhibits) at no cost during usual business hours on any weekday (except Saturdays, Sundays and public holidays) at the specified offices of the Paying Agent in Luxembourg.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained herein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

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FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements within the meaning of the federal securities laws, which involve risks and uncertainties, including, without limitation, certain statements made in the sections entitled Our Business , Business of CGG , Business of Veritas and Management s Discussion and Analysis of Financial Condition and Results of Operations . You can identify forward-looking statements because they contain words such as believes , expects , may , should , seeks , approximately , intends , plans , estimates , or anticipates or similar expressions to our strategy, plans or intentions. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We have based these forward-looking statements on our current views and assumptions about future events. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are based upon information available to us on the date of this prospectus.

Important factors that could cause actual results to differ materially from our expectations (cautionary statements) are disclosed under Risk Factors and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included in this prospectus. All forward-looking information in this prospectus and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our actual results include:

- our ability to develop an integrated strategy for CGGVeritas;
- difficulties and delays in achieving synergies and cost savings;
- our substantial indebtedness;
- changes in international economic and political conditions and, in particular, in oil and gas prices;
- exposure to the credit risk of customers;
- our ability to finance our operations on acceptable terms;
- the timely development and acceptance of our new products and services;
- the complexity of products sold;
- changes in demand for seismic products and services;
- the effects of competition;
- the social, political and economic risks of our global operations;
- the costs and risks associated with pension and post-retirement benefit obligations;
- changes to existing regulations or technical standards;
- existing or future litigation;
- difficulties and costs in protecting intellectual property rights and exposure to infringement claims by others;

the costs of compliance with environmental, health and safety laws;

the timing and extent of changes in currency exchange rates and interest rates;

the accuracy of our assessment of risks related to acquisitions, projects and contracts and whether these risks materialize;

our ability to integrate successfully the businesses or assets we acquire, including Veritas;

our ability to monitor existing and targeted partnerships;

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our ability to sell our seismic data library;

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; and

our success at managing the risks of the foregoing.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in this prospectus, including those described in the Risk Factors section of this prospectus.

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PROSPECTUS SUMMARY

This prospectus summary highlights selected information from this prospectus to help you understand our business and the terms of the notes. You should carefully read all of this prospectus, including the consolidated financial statements and related notes, to understand fully our business and the terms of the notes, as well as some of the other considerations that may be important to you in making your investment decision. You should pay special attention to the Risk Factors section of this prospectus to determine whether an investment in the notes is appropriate for you.

Compagnie Générale de Géophysique-Veritas

We are a leading international provider of geophysical services and manufacturer of geophysical equipment. We provide geophysical services principally to oil and gas companies that use seismic imaging to help explore for, develop and manage oil and gas reserves by:

identifying new areas where subsurface conditions are favorable for the accumulation of oil and gas;

determining the size and structure of previously identified oil and gas fields; and

optimizing development and production of oil and gas reserves (reservoir management).

We manufacture and sell our geophysical equipment primarily to other geophysical service companies.

Following the merger with Veritas, we intend to continue CGG's segmentation between geophysical services and products, and to organize our services business both into geographical operating segments for the western and eastern hemispheres, and into the following three business lines:

the land business line for land and shallow water seismic acquisition and non-exclusive (multi-client) library sales;

the offshore business line for marine seismic acquisition, multi-client library sales and related services; and

the processing & reservoir business line for seismic data processing, data management and reservoir studies.

Our products segment, which conducts business primarily through our subsidiary Sercel Holding S.A. and its subsidiaries (Sercel), manufactures and sells seismic data acquisition equipment, both for land and offshore use.

On a pro forma basis after giving effect to the merger and the financing transactions (as defined below), we would have had total revenue of 1,489.1 million and 1,470.1 million and operating income of 125.7 million and

289.6 million for the year ended December 31, 2005 and the nine months ended September 30, 2006, respectively under IFRS. See Unaudited Pro Forma Condensed Combined Financial Information .

Our address is Tour Maine-Montparnasse, 33, avenue de Maine, BP 191, 75755 Paris Cedex 15, France, and our telephone number is +33 (0) 1 64 47 45 00.

Recent Developments

The Merger

On January 12, 2007, CGG acquired Veritas (the merger) pursuant to an agreement and plan of merger dated September 4, 2006 (the merger agreement). In the merger, CGG issued an aggregate of 46.1 million ADSs and paid an aggregate of \$1.5 billion in cash to holders of Veritas stock. Upon completion of the merger, CGG was renamed Compagnie Générale de Géophysique-Veritas (abbreviated as CGGVeritas).

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Merger Rationale

We believe a number of strategic factors support the merger, including the following:

the combination of CGG and Veritas took place in a strong business environment, as decreasing reserves of oil and gas companies have been coupled with growing energy consumption sustained by long-term demand, particularly in China and India;

the combination of CGG and Veritas creates a strong, global, pure-play seismic company, offering a broad range of seismic services, and, through Sercel, geophysical equipment to the industry across all markets;

the combination of CGG and Veritas brings together two companies with strong technological foundations in the geophysical services and equipment market, as both CGG and Veritas have a long tradition of providing seismic services both onshore and offshore;

the addition of Veritas' fleet of seven vessels creates a combined seismic services business operating the world's leading seismic fleet of 20 vessels, including 14 high capacity 3D vessels;

multi-client services benefits from two complementary, recent vintage, well-positioned seismic data libraries;

CGG's and Veritas' respective offerings for land acquisition services represent strong geographical and technological complementarities for high-end positioning and further development of local partnerships;

CGG's and Veritas' respective positions in data processing and imaging as well as the skills and reputation of their experts and geoscientists, allow us to create the industry reference in this segment, with particular strengths in advanced technologies such as depth imaging, 4D processing and reservoir characterization as well as a close link with clients through dedicated centers;

the merger will not affect Sercel's open technology approach. Sercel will pursue its strategy of maintaining leading edge technology, offering new generations of differentiating products and focusing on key markets; and

with a combined workforce of approximately 7,000 staff operating worldwide, including Sercel, CGGVeritas will, through continued innovation, be an industry leader in seismic technology, services and equipment with a broad base of customers, including independent, international and national oil companies.

For a more complete discussion of the merger, see [The Veritas Merger](#).

Bridge Loan and Senior Credit Facilities

In order to finance a portion of the cash merger consideration, on January 12, 2007, CGG drew \$700 million under a senior secured bridge loan facility (the [bridge loan facility](#)) guaranteed by certain of our subsidiaries. We intend to use the net proceeds from this offering plus cash on hand to repay in full the bridge loan facility.

Also on January 12, 2007, Volnay Acquisition Co. I (which was subsequently merged with Veritas and Volnay Acquisition Co. II, with the surviving entity renamed CGGVeritas Services Inc.) and CGG entered into a senior credit agreement (the [senior facilities](#)), pursuant to which CGGVeritas Services Inc. borrowed \$1 billion under a senior secured term loan (the [term loan facility](#)) principally for the purpose of financing the remaining portion of the cash component of the consideration for the merger and obtained a \$115 million senior secured revolving facility (the [U.S. revolving facility](#)). Aggregate commitments under the U.S. revolving facility were increased to \$140 million on January 26, 2007. The senior facilities are guaranteed by us and certain of our subsidiaries.

We are also planning to enter into a senior secured revolving credit facility (the [French revolving facility](#)), guaranteed by certain of our subsidiaries, of up to \$200 million for working capital purposes.

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For a description of the credit facilities above, see Description of Certain Indebtedness .

The borrowings under the term loan facility and the bridge loan facility and the issuance of the notes offered hereby and the use of proceeds therefrom are collectively referred to in this prospectus as the financing transactions .

Our Business

Services accounted for 64% and Products accounted for 36% of CGG s consolidated operating revenue for the year ended December 31, 2005. Service operations accounted for 98% and Veritas Hampson-Russell (VHR), Veritas proprietary software business, accounted for 2% of Veritas consolidated revenues for the year ended July 31, 2006. Veritas provides geophysical services and geophysical software products but does not manufacture geophysical equipment.

The tables below present CGG s operating revenue (in euros) by business line for the nine months ended September 30, 2006 and the years ended December 31, 2005 and 2004 under IFRS and Veritas revenues (in U.S. dollars) by business line for the three months ended October 31, 2006 and the fiscal years ended July 31, 2006, 2005 and 2004 under U.S. GAAP.

	Nine months ended September 30,		Year ended December 31,			
	2006		2005		2004	
(in millions, except percentages)						
CGG Operating Revenue by Business						
Land	96.9	10%	119.8	14%	77.3	11%
Offshore	404.1	42%	319.5	37%	205.7	30%
Processing and Reservoir	102.3	11%	113.0	13%	105.0	15%
Total Services	603.3	63%	552.3	64%	388.0	56%
Products	352.3	37%	317.6	36%	299.4	44%
Total	955.6	100%	869.9	100%	687.4	100%

	Three months ended October 31,		Year ended July 31,					
	2006		2006		2005	2004		
(in \$ millions, except percentages)								
Veritas Revenues by Business								
Land	85.4	37%	286.9	35%	195.5	31%	200.7	36%
Offshore	105.7	46%	405.1	49%	331.4	52%	272.7	48%
Processing and Reservoir	34.6	15%	110.6	14%	90.9	14%	75.7	13%
Total Services	225.7	98%	802.6	98%	617.8	97%	549.1	97%
VHR	5.1	2%	19.6	2%	16.2	3%	15.4	3%
Total	230.8	100%	822.2	100%	634.0	100%	564.5	100%

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The tables below present CGG's operating revenue (in euros) by region for the nine months ended September 30, 2006 and the years ended December 31, 2005 and 2004 under IFRS and Veritas' revenues (in U.S. dollars) by region for the three months ended October 31, 2006 and fiscal years ended July 31, 2006, 2005 and 2004 under U.S. GAAP.

	Nine months ended September 30,		Year ended December 31,			
	2006		2005		2004	
	(in millions, except percentages)					
CGG Operating Revenue by Region						
Americas	314.0	33%	291.7	34%	207.7	30%
Asia Pacific/Middle East	313.2	33%	297.3	34%	274.5	40%
Europe	229.4	24%	190.3	22%	138.2	20%
Africa	99.0	10%	90.6	10%	67.0	10%
Total	955.6	100%	869.9	100%	687.4	100%