CMA CGM S.A.

€300,000,000 8.75% Senior Notes due 2018

*We are offering €300,000,000 aggregate principal amount of our 8.75% Senior Notes due 2018 (the "notes"). Interest on the notes is payable on June 15 and December 15 of each year, beginning on June 15, 2014. The notes will mature on December 15, 2018. Prior to December 15, 2015, we may redeem all or part of the notes by paying a "make-whole premium." We may redeem all or part of the notes at any time on or after December 15, 2015 at the redemption prices as described under the caption "*Description of Notes—Optional Redemption.*" In addition, until December 15, 2015, we may redeem up to 35% of the notes with the proceeds of certain equity offerings at the redemption prices as described under the caption* "Description of Notes—Optional Redemption."

The notes will be our unsecured senior obligations and will rank pari passu in right of payment to all our existing and future senior indebtedness. The notes will be effectively subordinated in right of payment to all our existing and future secured indebtedness to the extent of the assets securing such indebtedness, and structurally subordinated to all of the existing and future indebtedness of all our subsidiaries.

We have applied to list the notes on the Official List of the Luxembourg Stock Exchange and to admission to trading on the Euro MTF market of the Luxembourg Stock Exchange. These listing particulars constitute a prospectus for the purpose of Luxembourg law dated July 10, 2005 on prospectus for securities, as amended.

Investing in the notes involves risks. See "*Risk Factors*" beginning on page 17.

The notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). In the United States, the offering is being made only to qualified institutional buyers ("QIBs") in reliance on Rule 144A ("Rule 144A") under the Securities Act. Prospective purchasers that are QIBs are hereby notified that the sellers of the notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the offering is being made in reliance on Regulation S ("Regulation S") under the Securities Act. See "*Notice to Investors*" and "*Plan of Distribution*" for additional information about eligible offerees and restrictions on transfers of the notes.

Price: 97.552%, plus accrued interest if any.

Interest on the notes will accrue from December 16, 2013 to the date of delivery of the notes.

We expect that the notes will be delivered in book-entry form through the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream") on or about December 16, 2013.

Joint Bookrunning Managers

BNP PARIBAS **Credit Suisse** **Société Générale Corporate & Investment Banking**

The date of these listing particulars is January 10, 2014

We are responsible for the information contained in these listing particulars. We have not authorized anyone to provide you with information that is different from the information contained in these listing particulars. These listing particulars may only be used where it is legal to sell the notes. The information in these listing particulars may only be accurate on the date of this document. The offering of the notes is being made on the basis of these listing particulars, and we cannot provide you with assurance regarding the accuracy or completeness of any other source of information. Any decision to purchase the notes must be based on the information contained in these listing particulars.

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The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information set forth in these listing particulars. The issuer, and not the initial purchasers, has ultimate authority over the statements contained in these listing particulars, including their content and whether and how to communicate them. Nothing contained in these listing particulars is or should be relied upon as a promise or representation by any of the initial purchasers as to the past or the future.

We confirm to the best of our knowledge, information and belief, having made all reasonable inquiries, that the information contained in these listing particulars regarding us and the notes is true and accurate in all material respects. We additionally confirm, except as provided below, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which would make these listing particulars as a whole or any of such information or the expression of any such opinions or intentions misleading. We accept responsibility accordingly. However, the information set out in these listing particulars describing clearing arrangements, including the section entitled "*Book Entry, Delivery and Form*," is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream, as currently in effect. In addition, these listing particular contain 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, or any of the initial purchasers or the Luxembourg Paying Agent.

These listing particulars have been prepared by us solely for use in connection with this offering. These listing particulars are personal to each offeree and do not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire notes. Distribution of these listing particulars to any person other than the prospective investor and any person retained to advise such prospective investor with respect to the purchase of notes is unauthorized, and any disclosure of any of the contents of these listing particulars, without our prior written consent, is prohibited.

The initial purchasers will provide you with a copy of these listing particulars and any related amendments. By receiving these listing particulars, you acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in these listing particulars. You also acknowledge that you have not relied on any of the initial purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the notes.

Neither we nor the initial purchasers nor any of our or their respective representatives or affiliates are making any representation to you regarding the legality of an investment in the notes by you, and you should not construe anything in these listing particulars as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects and implications of an investment in the notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the notes or possess or distribute these listing particulars, and you must obtain all applicable consents and approvals; neither we nor the initial purchasers shall have any responsibility for any of the foregoing legal requirements.

We reserve the right to withdraw this offering at any time, and we and the initial purchasers reserve the right to reject all or a part of any offer to purchase the notes, for any reason. We and the initial purchasers also reserve the right to sell less than all of the notes offered by these listing particulars or to sell to any purchaser less than the amount of notes it has offered to purchase.

We are offering the notes in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The notes have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the "SEC") or any other securities commission or regulatory authority. Neither the SEC nor any state or foreign securities regulator has approved or disapproved of these securities or determined that these listing particulars are accurate or complete. Any representation to the contrary is a criminal offense.

It is expected that delivery of the notes will be made against payment therefor on or about the date of the settlement of this offering, which will be the fourth business day following the date of pricing of the notes (such settlement being referred to as "T+4"). You should note that trading of the notes on the date of pricing may be affected by the T+4 settlement. See "*Plan of Distribution—Initial Settlement*."

The notes are subject to restrictions on transferability and resale, which are described under "*Plan of Distribution*" and "*Notice to Investors*." By purchasing any notes, you will be deemed to have represented and agreed to all of the provisions contained in those sections of these listing particulars. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

Interests in the notes will be available initially in book-entry form only. We expect the notes sold pursuant to these listing particulars will be issued in the form of one or more global notes in registered form without interest coupons attached. The global notes will be deposited with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Transfers of interests in the global notes will be effected through records maintained by Euroclear and Clearstream and their participants. After the initial issue of the global notes, the notes will not be issued in definitive registered form except under the circumstances described in the section "*Book-Entry, Delivery and Form*."

The information set out in relation to sections of these listing particulars describing clearing arrangements, including the section entitled "*Book Entry, Delivery and Form*," is subject to any changes in, or reinterpretation of, the rules, regulations and procedures of Euroclear and Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO U.S. INVESTORS

Each purchaser of notes will be deemed to have made the representations, warranties and acknowledgements that are described in these listing particulars under "*Summary—The Offering—Transfer Restrictions*." The notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are subject to certain restrictions on transfer. Prospective purchasers are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain further restrictions on resale or transfer of the notes, see "*Summary—The Offering—Transfer Restrictions*."

NOTICE TO CERTAIN EUROPEAN INVESTORS

European Economic Area

These listing particulars have been prepared on the basis that this offering 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 and publish a prospectus which is compliant with the Prospectus Directive, as so implemented, for offers of the notes. Accordingly, any person making or intending to make any offer within the EEA or any of its member states (each a "Relevant Member State") of the notes which are the subject of the placement referred to in these listing particulars must only do so in circumstances in which no obligation arises for the Issuer or any of the initial purchasers to produce and publish a prospectus which is compliant with the Prospectus Directive, including Article 3 thereof, as so implemented for such offer. For EEA jurisdictions that have not implemented the Prospectus Directive, all offers of notes must be in compliance with the laws of such jurisdictions. Neither the Issuer nor the initial purchasers have authorized, nor do they authorize, the making of any offer of the notes through any financial intermediary, other than offers made by the initial purchasers, which constitute a final placement of the notes.

Notes may not be offered and will not be offered to the public in any Relevant Member State except that notes may be offered:

(i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, two or more of (1) a total balance sheet of more than $20,000,000, (2) an annual net turnover of more than $40,000,000 and (3) an equity of more than $2,000,000, on an individual basis;

(iii) to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), in any Relevant Member State, subject to obtaining the prior consent of the initial purchasers; or

(iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the notes shall result in a requirement for the publication by the Issuer or the initial purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, 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 the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC, including that Directive as amended by the 2010 PD Directive to the extent implemented in the Relevant Member State in question, and includes any relevant implementing measure in the Relevant Member State in question; and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

France

No prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the notes that has been approved by the *Autorité des marchés financiers* or by the competent authority of another state that is a contracting party to the Agreement on the European Economic Area and notified to the *Autorité des marchés financiers*; no notes have been offered or sold or will be offered or sold, directly or indirectly, to the public in France except to qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, with "qualified investors" having the meaning ascribed to it in articles L. 411-2, D. 411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier* and applicable regulations thereunder; none of these listing particulars or any other materials related to the offer or information contained therein relating to the notes has been released, issued or distributed to the public in France except to such qualified investors; and the direct or indirect resale to the public in France of any notes acquired by any such qualified investors may be made only as provided by articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code Monétaire et Financier* and applicable regulations thereunder.

United Kingdom

These listing particulars are directed only at persons ("Relevant Persons") who (i) are outside the United Kingdom, (ii) fall within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (iii) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated.

These listing particulars must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which these listing particulars relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Recipients of these listing particulars are not permitted to transmit it to any other person. The notes are not being offered to the public in the United Kingdom.

Italy

The offering of the notes has not been cleared by the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, the notes may not be offered, sold or delivered, nor may copies of these listing particulars or of any other document relating to the notes be distributed, in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended (the "Intermediaries Regulation"), pursuant to Article 100, paragraph 1, letter a) of the Italian Legislative Decree No. 58 of February 24, 1998, as amended (the "Consolidated Financial Act") and Article 34-*ter*, paragraph 1, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the "Issuers Regulation"); or

(ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, including, without limitation, as provided under Article 100 of the Consolidated Financial Act and Article 34-*ter* of the Issuers Regulation.

Any offer, sale or delivery of the notes or distribution of copies of these listing particulars or any other document relating to the notes in the Republic of Italy under (i) or (ii) above must be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Act, the Issuers Regulation, the Intermediaries Regulation and the Italian Legislative Decree No. 385 of September 1, 1993, as amended.

These listing particulars, any other document relating to the notes, and the information contained therein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 100 of the Consolidated Financial Act and Article 34-ter of the Issuers Regulation, are not to be distributed, for any reason, to any third party resident or located in the Republic of Italy. No person resident or located in the Republic of Italy other than the original recipients of this document may rely on it or its content.

Luxembourg

This offering of the notes does not constitute a public offering of securities within the Grand Duchy of Luxembourg and accordingly these listing particulars should not be construed as a prospectus in accordance with Articles 5 and 30 of the Law of July 12, 2005 on prospectuses for securities.

Spain

The notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law (*Ley 24/1988, de 28 de Julio del Mercado de Valores*) as amended and restated and Royal Decree 291/1992 on Issues and Public Offering of Securities (*Real Decreto 291/1992 de 27 de Marzo, sobre Emisiones y Ofertas Públicas de Venta de Valores*) as amended and restated ("R.D. 291/92"), and subsequent legislation. These listing particulars neither verified nor registered in the administrative registries of the *Comisión Nacional del Mercado de Valores*, and therefore a public offer for subscription of the notes will not be carried out in Spain. Notwithstanding that and in accordance with Article 7 of R.D. 291/92, a private placement of the notes addressed exclusively to institutional investors (as defined in Article 7.1(a) of R.D. 291/92) may be carried out in accordance with the requirements of R.D. 291/92.

The Netherlands

The notes may not be offered or sold to individuals or legal entities in The Netherlands unless a prospectus relating to the offer is available to the public which is approved by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*) or by a supervisory authority of another member state of the EU. Article 5:3 of the Financial Supervision Act (the "FSA") and article 53 paragraphs 2 and 3 of the Exemption Regulation FSA provide for several exceptions to the obligation to make a prospectus available such as an offer to qualified investors within the meaning of article 5:3 FSA.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, BNP PARIBAS (THE "STABILIZING MANAGER") MAY OVER-ALLOT OR EFFECT TRANSACTIONS FOR A LIMITED PERIOD OF TIME WITH A VIEW TO SUPPORTING THE MARKET PRICES OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. THE STABILIZING MANAGER DOES NOT INTEND TO DISCLOSE THE EXTENT OF ANY STABILIZING TRANSACTIONS OR THE AMOUNT OF ANY LONG OR SHORT POSITION.

CERTAIN TERMS AND CONVENTIONS

As used in these listing particulars:

- "2011 Restructuring Principles" means the restructuring principles and guidelines agreed with a steering committee of the relevant lenders in January 2011, which were implemented across substantially all of our bank debt and asset financing agreements, and included a waiver of past defaults;
- "2012 Restructuring Principles" means the revised restructuring principles agreed to in February 2013, which supplemented and amended the 2011 Restructuring Principles, pursuant to which we and the steering committee of relevant creditors agreed to a set of restructuring principles and guidelines to serve as the basis for restructuring substantially all of our bank and asset financing arrangements;
- "Restructuring Principles" means the 2011 Restructuring Principles together with the 2012 Restructuring Principles;
- "Additional Yildirim ORA" means the 528,918 12.0% subordinated bonds mandatorily redeemable in B Preferred Shares subscribed to by Yildirim AM for $100.0 million on January 31, 2013;
- "bunker" and "bunker fuel" mean the heavy fuel oil we generally use to power our ships;
- "calls" means stopping at a port to load and discharge cargo;
- "capacity," unless otherwise specified, means the maximum number of containers as measured in TEU that could theoretically be loaded onto a container ship without taking into account operational constraints (including, but not limited to, the actual weight of any loaded containers); with reference to a fleet, a carrier or the container shipping industry, capacity is the total TEU capacity of all ships in the fleet, the carrier or the industry, as applicable;
- "carrier," unless otherwise specified, means a company providing container shipping services;
- "CdP" means Compagnie du Ponant;
- "CMHI" means China Merchants Holdings (International) Company Limited;
- "demurrage" means the fee we charge for each day that an importer maintains possession of a container beyond the scheduled or agreed date of return;
- "direct calls" mean ports called by vessels deployed on main lines;
- each of "euro" and "€" means the single currency of the member states of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time;
- each of "own," "to own" or "owned," with respect to our vessels or containers, means vessels or containers to which we have title or that we have financed through lease arrangements that transfer substantially all the risks and rewards of ownership to us;
- each of "U.S. dollars," "dollars," "U.S. $" and "$" means the lawful currency of the United States of America;
- each of the "Company," "we," "us" and "our" means CMA CGM S.A. and all of its subsidiaries as of the date discussed, unless otherwise specified or the context suggests otherwise;
- "excluded zone" means areas excluded from our basic war insurance policy because such areas involve high risk of, among other things, losses due to war, acts of terrorism or piracy;
- "existing notes" means, collectively, the $475.0 million 8.5% Senior Notes due 2017 and €325.0 million 8.875% Senior Notes due 2019 issued by the Company on April 21, 2011;
- "feeder line" means a shipping line connecting a secondary port to a primary port;
- "freight forwarders" means intermediaries between carriers and direct shippers which consolidate cargo and prepare customs documentation;
- "FSI" means the *Banque Publique d'Investissement* (formerly known as the *Fonds Stratégique d'Investissement*);
- "FSI ORA" means the 793,378 12.0% subordinated bonds mandatorily redeemable in shares subscribed to by FSI for $150.0 million on June 28, 2013;
- "IFRS" means International Financial Reporting Standards, as adopted for use in the European Union by the European Commission;

- "Initial Yildirim ORA" means the 2,644,590 12.0% subordinated bonds mandatorily redeemable in B Preferred Shares subscribed to by Yildirim AM for $500.0 million on January 27, 2011;
- "Issuer" means CMA CGM S.A., excluding its consolidated subsidiaries;
- "LTV" means loan-to-value, or the ratio of the amount borrowed to the fair market value;
- "main lines" means shipping lines that traverse oceans;
- "Malta Freeport" means Malta Freeport Terminals Ltd.;
- "Merit" means Merit Corporation, a corporation (*société anonyme libanaise*) organized under the laws of Lebanon formerly known as Merit S.A.L., and the principal shareholder of the Issuer;
- "mother lines," a synonym for "main lines," also means shipping lines that traverse oceans;
- "notes" means the notes issued hereunder;
- "New Term Loan" means the €219.8 million amortizing secured loan pursuant to the Term Loan Facility dated February 11, 2013 among us, Natixis as Agent and Security Agent and the financial lenders named therein;
- "OECD" means the Organization for Economic Co-operation and Development, a group of 30 member states focused on developing the international market economy;
- "ORA" means the 12.0% subordinated bonds mandatorily redeemable in shares, or *obligations remboursables en actions*, of the Company consisting of the Yildirim ORA and the FSI ORA;
- "P3 alliance" means our proposed global alliance with Maersk and MSC expected to be implemented, subject to receipt of the necessary regulatory approvals, in 2014;
- "primary port" means ports which are called by main lines;
- "reefer" means refrigerated transport;
- "Refinancing Term Loan" means the €145.0 million secured term loan pursuant to the facility for which we have entered into a commitment letter on December 4, 2013;
- "secondary port" means ports which are called by feeder lines and not by main lines;
- "short-term" charters and "long-term" charters means charters for a term of (i) up to and including two years and (ii) more than two years, respectively, except that "long-term chartering" for purposes of the 2012 Restructuring Principles means charters with an original charter agreement term of five years or more;
- "slot" means the space required for one TEU on board a ship;
- "slot swap" means an exchange of container capacity between us and another carrier;
- "sterling" means the lawful currency of the United Kingdom of Great Britain and Northern Ireland;
- "TEU" means a 20-foot equivalent unit, the standard unit of measurement of volume used in the container shipping industry;
- "Terminal Link" means our joint venture arrangement with CMHI that holds investments in 14 ports worldwide;
- "Yildirim" means Yildirim AM and Yildirim Holding;
- "Yildirim AM" means Yildirim Asset Management Holding BV, a private company with limited liability (*besloten vennootschap*) organized under the laws of the Netherlands;
- "Yildirim Holding" means Yildirim Holding, a joint stock company (AŞ) organized under the laws of Turkey; and
- "Yildirim ORA" means the Initial Yildirim ORA, together with the Additional Yildirim ORA.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Data

The free English language translation of our audited consolidated financial statements as of and for the years ended December 31, 2012 and 2011 (respectively the "2012 Audited Consolidated Financial Statements" and the "2011 Audited Consolidated Financial Statements," together the "Audited Consolidated Financial Statements"), our unaudited interim condensed consolidated financial statements as of and for the nine months ended September 30, 2013 (the "Unaudited Interim Condensed Consolidated Financial Statements"), and, in each case, the related notes thereto are included elsewhere in these listing particulars. The Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and our Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 – the standard of IFRS as adopted by the European Union applicable to interim financial statements.

Changes in accounting policies during periods presented are disclosed in Note 2.2 to the Audited Consolidated Financial Statements, a free English translation of which is included elsewhere in these listing particulars, and in Note 2.2 to the Unaudited Interim Condensed Consolidated Financial Statements, included elsewhere in these listing particulars. None of these changes materially affected our financial performance or positions during the periods presented.

Certain amounts and percentages included in these listing particulars have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not exactly equal the total figure for that column.

Percentages and amounts reflecting changes over time periods relating to financial and other information set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the numerical data in the consolidated financial statements or the tabular presentation of other information (subject to rounding) contained in these listing particulars, as applicable, and not using the numerical data in the narrative description thereof.

Use of Non-IFRS Financial Measures

In these listing particulars, we present our EBITDA and certain ratios and margins based on EBITDA for certain periods. EBITDA represents operating profit/(loss) before depreciation, amortization, income from associates and jointly controlled entities and other operating items. EBITDA is not a substitute for operating profit/(loss), profit/(loss) for the year or net cash generated from operating activities as determined in accordance with IFRS. EBITDA is presented as additional information because we believe that it is widely used as a measure to evaluate a company's operating performance and financial requirements. We also use a metric which we call "Adjusted EBITDA", and which represents EBITDA less gains/losses from asset disposals. Neither EBITDA nor adjusted EBITDA is a substitute for operating profit/(loss) for the year or net cash generated from operating activities as determined in accordance with IFRS.

We also present our "EBIT" in these listing particulars. EBIT is equivalent to our operating profit/loss. We also use a measure which we call "Adjusted EBIT" or "Core EBIT" that we believe is a particularly useful indicator of our operating performance. It is calculated as EBIT less gains/losses from asset disposals and adding back other income and expenses. We believe this measure enables better comparison against our competitors given our strategy in terms of fleet ownership: the cost of our ships held under operating leases is accounted for under our chartering expenses, and therefore affects EBITDA, whereas our owned fleet costs are capitalized and amortized thus affecting EBIT. We also refer in these listing particulars to our "adjusted operating margin," which represents our adjusted EBIT divided by our revenue.

We also present our net debt and certain ratios based on net debt for certain periods. Net debt includes current and non-current financial debt, plus financial debt associated with assets classified as held for sale, less cash and cash equivalents, securities and LTV deposits. Net debt is provided as additional information because we believe it provides useful information regarding our financial position. We also present an "adjusted net debt" measure calculated as our net debt less the amount of the ORA that is accounted for as debt under IFRS, less unavailable cash (such as cash allotted as collateral for margin loans).

Our gearing covenant under our credit facilities is based on adjusted net debt and adjusted equity. Adjusted equity is calculated as total equity less reserves for currency translation adjustments plus the portion of the ORA accounted for as financial debt.

Because EBIT, Adjusted EBIT, EBITDA, Adjusted EBITDA, net debt, adjusted net debt and adjusted equity are not calculated identically by all companies, our presentation of these measures may not be comparable to other similarly titled measures of other companies. Moreover, our discretionary use of EBITDA may be limited by working capital, capital expenditure and debt service requirements and by contractual, legal and other restrictions. For a reconciliation of EBITDA, Adjusted EBITDA, Adjusted EBIT, net debt and adjusted net debt to the relevant financial measures defined in accordance with IFRS, see footnotes 8 and 13 under "*Summary—Summary Financial and Operating Information.*"

More generally, these non-IFRS financial measures have limitations as analytical tools and should not be considered as alternatives to operating income or net profit or any other performance measures derived from or in accordance with IFRS.

Exchange Rate Information

The table below sets forth for the periods indicated certain information regarding the Bloomberg Composite Rate. The following table shows the period-end, average, high and low Noon Buying Rates for the euro, as certified by the Federal Reserve Bank of New York (the "Noon Buying Rate"), expressed in dollars per one euro, for the periods and dates indicated. These rates may differ from the actual rates used in the preparation of our financial statements and other financial information appearing in these listing particulars.

Month

U.S. dollar/Euro	Period End	Average Rate*	High	Low
December 2013 (through December 6, 2013)	1.3690	1.3613	1.3690	1.3552
November 2013	1.3606	1.3491	1.3606	1.3357
October 2013	1.3594	1.3646	1.3810	1.3490
September 2013	1.3535	1.3364	1.3537	1.3120
August 2013	1.3196	1.3314	1.3426	1.3196
July 2013	1.3282	1.3088	1.3282	1.2774
June 2013	1.3010	1.3197	1.3407	1.3006
May 2013	1.2988	1.2983	1.3192	1.2818
April 2013	1.3168	1.3025	1.3168	1.2836
March 2013	1.2816	1.2953	1.3098	1.2782
February 2013	1.3079	1.3346	1.3692	1.3054
January 2013	1.3584	1.3304	1.3584	1.3047

Year

U.S. dollar/Euro	Period End	Average Rate*	High	Low
2013 (through December 6, 2013)	1.3690	1.3250	1.3810	1.2774
2012	1.3186	1.2859	1.3463	1.2062
2011	1.2973	1.3931	1.4875	1.2926
2010	1.3269	1.3263	1.4536	1.1959
2009	1.4332	1.3936	1.5100	1.2547
2008	1.3919	1.4695	1.6010	1.2446

* The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for annual averages; on each business day of the month (or portion thereof) for monthly average.

Fluctuations in the exchange rate between the euro and the U.S. dollar in the past are not necessarily indicative of fluctuations that may occur in the future.

These listing particulars contain translations of euro amounts into U.S. dollars at the exchange rate of $1.3505 = €1.00 (the exchange rate as of September 30, 2013 used by the Company for its unaudited consolidated balance sheet as of such day) solely for the convenience of the reader. These translations should not be construed as representations that the euro amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. On December 6, 2013, the Noon Buying Rate in New York City for cable transfers in foreign currencies was $1.3690 per one euro.

Industry Data

The information contained in the section "*Industry Overview,*" including market and industry statistical data, was provided by Drewry Shipping Consultants Ltd. ("Drewry"), a consultant firm specializing in shipping. We commissioned Drewry to provide the text for this section. In compiling the data for this section, Drewry relied on industry sources, published materials, its own private databanks and direct contacts with the industry. All those sources were used to calculate the data and market information shown in these listing particulars, except where otherwise noted.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

These listing particulars include forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include all statements other than statements of historical facts contained in these listing particulars, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we participate or are seeking to participate or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should," or "will" or the negative of such terms or other comparable terminology. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in these listing particulars. In addition, even if our results of operations, including our financial condition and liquidity and the development of the industry in which we operate, are consistent with the forward-looking statements contained in these listing particulars, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to, the risks described under "*Risk Factors*." For example, factors that could cause actual results to vary from projected future results include, but are not limited to:

- the highly cyclical and volatile nature of the container shipping industry and imbalances of supply and demand;
- market conditions, which affect transport volumes and freight rates;
- the highly competitive nature of the shipping industry, which is characterized by short-term contractual arrangements;
- fluctuations in charter rates;
- the considerable time lag between the ordering and the delivery of new vessels;
- changing trading patterns, trade flows and sharpening trade imbalances;
- increases in crude oil and bunker fuel prices;
- political, economic, social, natural and other risks in the markets where we have operations;
- protectionist policies and regulatory regimes adopted by countries globally;
- our ability to be fully protected from certain liabilities under our insurance coverage or indemnities covering liabilities, and the potential increase in the cost of premiums;
- acts of piracy on oceangoing vessels, which have increased in frequency;
- risks inherent in the operation of oceangoing vessels, including: marine disaster; environmental accidents, including oil and hazardous substance spills; grounding, fire, explosions and collisions; cargo and property losses or damages; business interruptions caused by mechanical failure, human error, war, sabotage, terrorism, political action in various countries, or adverse sea or weather conditions; work stoppages or other labor problems with staff serving on vessels and at ports; and piracy and terrorism;
- potential governmental claims or operational restrictions related to the possible smuggling of drugs, weapons or other contraband onto our vessels;
- risks in relation to compliance with anti-corruption laws and regulations;
- monitoring and inspection procedures aimed at preventing terrorist attacks;
- possibility of fines and constraints on our business practices in the event we fail to comply with competition laws to which we are subject;
- changes to the liability regime for the international maritime carriage of goods;
- changes in existing laws and regulations, including in respect of the environment;
- costs associated with compliance with the requirements imposed on our vessels by classification societies;

- risks associated with our IT systems, and their ability to continue to generate operational efficiencies;
- risks in connection with our cooperation agreements with other major carriers;
- labor disturbances;
- arrest or attachment of our vessels by maritime claimants;
- our ability to continue participating in the French tonnage tax regime;
- port overload and congestion;
- our ability to abide by our modified and adapted financial covenants;
- our ability to secure future sources of financing;
- changes in accounting standards;
- our ability to achieve and manage growth;
- our ability to continue reducing costs and remain more profitable than other players in the industry;
- our ability to increase freight rates;
- our ability to retain existing customers and attract new customers, the majority of whom we do not have contracts with;
- fluctuations in exchange rates and interest rates;
- risks associated with our hedging derivative instruments;
- potential conflicts of interests with shareholders;
- loss of the services of key management personnel, as well as difficulties in recruiting and retaining qualified personnel;
- difficulty in succession of management;
- delays in deliveries of our new-built vessels, or our decision to cancel, or our inability to otherwise complete the acquisitions of any new-built vessels;
- fluctuations in the market value of our vessels;
- compliance risks associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions;
- our reliance on third-party contractors to provide various services, and the potentially unsatisfactory or faulty performance of a contractor;
- difficulties in hiring and retaining crews for our vessels;
- litigation risks;
- any downgrade in our corporate credit rating by a rating agency; and
- our ability to access ship financing at favorable conditions.

We urge you to read carefully the sections of these listing particulars entitled "*Risk Factors*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Industry Overview*" and "Business" for a more complete discussion of the factors that could affect our future performance and the markets in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in these listing particulars may not occur. These forward-looking statements speak only as of the date on which the statements were made. We undertake no obligation, and do not intend, to update or revise any forward-looking statement or risk factors, whether as a result of new information, future events or developments or otherwise.

SUMMARY

This summary highlights information contained elsewhere in these listing particulars. This summary is not complete and does not contain all of the information that you should consider before investing in the notes. You should read the entire listing particulars carefully, especially the risks of investing in the notes. See "Risk Factors." *For definitions of certain capitalized terms used in the listing particulars, see* "Certain Terms and Conventions."

Overview

Our Company

We are a leading provider of global container shipping services. In terms of capacity, we are the largest provider of container shipping services in France and the third largest in the world. We offer our services through a global network of 129 main lines and 53 feeder lines, calling at approximately 400 ports in 135 countries as of September 30, 2013, with the support of 168 shipping agencies operating through more than 671 offices worldwide.

As of September 30, 2013, we operated a fleet of 430 container ships with a total capacity of 1.559 million TEU and a weighted average age, based on total TEU, of 7.1 years, of which we chartered 349 and owned 81. As of September 30, 2013, we maintained a 2.25 million TEU fleet of containers, of which we leased approximately 79% and owned the remainder. As of September 30, 2013, the book value of our owned containers was $666.8 million. The market value of our owned vessels is assessed every six months by calculating the average of three independent ship brokers' valuation, which was $4,058.8 million as of June 30, 2013.

We transported over 11.2 million TEU in the twelve months ended September 30, 2013 on behalf of a globally diversified base of more than 100,000 customers, of which over 8,000 have shipped more than 100 TEU in 2013 to date. We generated revenue of $16.0 billion and EBITDA of $1.4 billion for the twelve months ended September 30, 2013.

We have an extensive network of lines and shipping agencies offering services in the principal Asia-Europe, Transpacific, Australasia, Transatlantic, Latin America, Caribbean and Africa markets, which we operate either via CMA CGM, via subsidiaries such as Australian National Container Line ("ANL"), Cheng Lie Navigation and MacAndrews or under our Delmas brand. This extensive network allows us to focus both on high-volume markets, such as Asia-Europe and Asia-North America, and niche markets, such as the Caribbean, Black Sea, Africa and intra-Asia markets. In China, we established operations in 1996 and now make direct calls in a broad range of 13 ports, supported by our own shipping agency network of 61 offices.

Our extensive network is further supported by strategic agreements (or "alliances") with other carriers, which allow us to reduce our cost base while extending the scope of our services. These alliances include agreements with MSC covering the Asia-Northern Europe trade, with Maersk covering the Asia-Mediterranean trade and with both Maersk and MSC on Transpacific trades to the United States west coast. We also recently announced the P3 alliance with Maersk and MSC, which, if it receives the necessary regulatory approvals, will cover six of the largest mature markets on East-West trade lanes including Asia-Northern Europe, Asia-Mediterranean, Asia-U.S. west coast, Asia-U.S. east coast, Transatlantic North and Transatlantic South.

Through our main lines, which are supported by our extensive feeder lines, and in conjunction with our alliances with other carriers, we have established a diverse market mix, with no single geographic market accounting for more than 15% of our annual volumes transported. We believe that our broad network and the variety of ports served by our main and feeder lines provide us with a competitive advantage in our key areas of operation and reduce our exposure to declines in demand for container shipping services that are limited to certain regions or certain trades.

To complement our container shipping services, we offer logistics services and inter-modal container transportation services that allow us to provide door-to-door transportation of cargo. To provide these services, we have established inland transportation systems, including by rail, road and waterway, to ensure reliable connection to our shipping lines, particularly in France, Northern Africa, Asia and India. We provide these services either ourselves or through third-party contractors.

We also invest in port terminal facilities where we have significant operations. Through these investments, we gain preferred access to berths and greater control over port activities. We currently have interests in or agreements related to 20 ports, both directly and through our joint arrangement, Terminal Link, including in or around Le Havre, Dunkirk and Marseilles/Fos (France), Malta, Tangier and Casablanca (Morocco), Antwerp and Zeebrugge (Belgium), Martinique and Guadeloupe (French Antilles), Miami, Houston and Long Beach (United States), Pusan (South Korea) and Xiamen (China).

Over the past 35 years, we have grown from being a regional Mediterranean carrier with a single ship into a leading provider of global container shipping services with a fleet of 430 container ships as of September 30, 2013. From 1992 to 2013, we grew from the twentieth largest to the third largest container carrier in the world, measured by capacity, a position that we have held continuously since 2006. From January 1, 2009 (a low point in the industry cycle) to December 31, 2012, we achieved compound annual growth rates on volumes transported of 10.4%, derived primarily through organic growth.

Our Competitive Strengths

We believe our competitive strengths include:

Global reach with geographically diversified operations and leading market positions. We operate a global container shipping network made up of 129 main lines and 53 feeder lines and calling at approximately 400 ports in 135 countries as of September 30, 2013. Our operations are supported by an extensive global network of 168 shipping agencies operating through more than 671 strategically-located and locally-staffed offices worldwide, including, for example, our Chinese shipping agency, which we established in 1996 and which today operates through 61 offices. We own or have a majority stake in 122 of our shipping agencies, which accounted for approximately 95% of our volumes transported in 2012. Our agencies act as our local sales, marketing and customer service representatives. We aim to provide our customers with global seamless shipping services through our network of lines and agencies which connects six continents. With this breadth of coverage, we can offer our customers a range of lines, scheduling alternatives and services to fulfill their container shipping requirements.

We have a leading market position in the container shipping industry, including on high-volume trade routes and higher margin, niche routes. With total fleet capacity of 1.559 million TEU as of September 30, 2013, we are the largest provider of container shipping services in France and the third largest in the world in terms of capacity and we have more than 1.8 times the capacity of the fourth player in the industry. We have a strong market position in the Asia-Europe market with a market share of 11.0% in terms of volume in 2012. In addition, we had a 16.5% market share on the Europe-to-Indian South Coast-Middle East trade, a 14.3% market share on the Central Europe-South American trade and a 6.5% market share on the Transpacific trade, in each case in terms of volume in 2012. We have also built strong, and in many cases leading, services in underserved ports and smaller markets, such as the Caribbean, the Adriatic Sea, the Black Sea and the African and the intra-Asia markets. No single market represents more than 15% of our annual volumes transported. We believe that our geographic diversification helps protect us from regional fluctuations in demand and freight rates, while our leading market position allows us to take advantage of economies of scale and strengthen our bargaining power when negotiating the terms of our contracts for operational and capital expenditures, as well as financings.

Efficient cost base. Since 2011, we have implemented a specific cost cutting program focused on improving our financial performance and increasing the resilience of our business in cyclical downturns by lowering our cost base. We have implemented a broad range of cost reduction and efficiency measures across our organization, including stricter control of transshipment and container pick-up and drop-off fees, increased emphasis on cooperation agreements with other industry participants, direct ownership of a network of shipping agencies and other strategic assets in our logistical chain, outsourcing of certain back-office operations to shared service centers in India and China and reduced reliance on third-party consultancy arrangements, particularly in IT. Of particular importance in these efforts have been our initiatives to reduce bunker fuel consumption, which represents our largest individual operating expense. For instance, we have modified the rotation of some of our lines to introduce ports of call in which refueling can be done more cheaply, we have increased the frequency of key maintenance actions, such as propeller and hull cleaning, that reduce fuel consumption, we have developed the use of slow steaming wherever possible, and we have modernized our fleet by adding new, larger and more fuel-efficient vessels. We have also set up a single ship operating center staffed by a team of experienced officers that oversees our entire fleet of 430 vessels. This center monitors speed and route requirements and has direct access to every officer on board of those vessels so that any deviation from schedule may be immediately challenged and, if need be, rectified. The team is also in charge of improving fuel efficiency and the punctuality of all our lines. These initiatives have helped us consistently outperform industry-average EBIT margins by 3.1% to 10.7% on a quarterly basis since the first quarter of 2010, an average of 7.6% per quarter during this time period. Our reduced cost base has also contributed significantly to an increase in our profitability in 2012 and the first nine months of 2013. Although our total volumes transported in the first nine months of 2013 were approximately 7% higher than in the first nine months of 2012, our operating expenses were only approximately 2% higher.

Flexible fleet with balanced ownership policy. As of September 30, 2013, we operated a fleet of 430 ships, with capacity ranging from 120 TEU to 16,022 TEU, of which we owned 81, chartered 36 with a remaining lease term ranging between one and five years, chartered 35 with a remaining lease term of more than five years and chartered 278 with a remaining lease term of less than one year outstanding, with total fleet capacity of 1.559 million TEU. In terms of size, our fleet currently consists of 62 ships of more than 7,000 TEU (of which 30 ships of more than 10,000 TEU), representing 655,077 TEU or 42.0% of our fleet capacity, 155 ships ranging between 2,500 and 6,999 TEU, representing 610,446 TEU or 39.1% of our fleet capacity, and 213 ships of less than 2,500 TEU, representing 293,760 TEU or 18.8% of our fleet capacity. The composition of our fleet provides us with a significant degree of flexibility in our operations. We are able to adapt the size and speed of our vessels, particularly our new technologically advanced vessels with lower fuel consumption, in accordance with demand. For example, we have recently redeployed one of our largest ships to the Asia-U.S. west coast trade from its usual Asia-Northern Europe route in a reaction to demand fluctuations on these trades. Our use of short-term vessel charter agreements allows us to align our cost structure with our projected demand more quickly. For example, in 2009, we took advantage of a steep reduction in charter rates to reduce our chartering costs from $1,876.4 million in 2008 for a chartered fleet of 296 vessels as of December 31, 2008 to $1,528.6 million in 2009 for a chartered fleet of 268 vessels as of December 31, 2009. The share of total chartering costs as a percentage of our total operating costs has gone from 13.0% in 2008 to 10.1% in the nine months ended September 30, 2013. We have since been able to maintain similarly low chartering costs while the size of our fleet significantly increased, due to low charter rates and our use of short term charter agreements. In 2012, our chartering costs were $1,510.4 million for a chartered fleet of 330 vessels as of December 31, 2012.

Diversified and loyal customer base founded on strong reputation. In 2013, we had over 100,000 customers, of which more than 8,000 had shipped more than 100 TEU to date. Our customer portfolio is highly diversified by both geography and industry sector and is generally balanced between direct shippers, such as BASF, IKEA, Renault and Samsung, and leading freight forwarders. For the ten months ended October 31, 2013, our top 20 customers by volume accounted for approximately 15.7% of our total volumes transported, and we had no customer that accounted for more than 2.5% of total volume. We believe that this diverse customer base helps reduce the adverse effects of downturns in a particular region or industry. In addition, we have developed and maintain longstanding relationships with many of our customers, including many multinational companies. As examples, we were named "Best Partner of the Year" by Samsung SDS in April 2012 and "Best Partner of 2013" by SONY in June 2013. We have been successful in acquiring and retaining key account customers. For example, our top 20 customers in 2005 all remained significant customers in 2013. We believe our reputation for quality and reliability, together with our global reach and leading market position, gives us an advantage over our competitors and allows us to avoid competing solely based on price.

Reinforced cash position and capital base. In 2012 and to date in 2013, in an effort to improve the resilience of our business against the volatility in the container shipping industry, we significantly improved our liquidity and strengthened our capital structure by disposing of assets and obtaining equity funding from third-party investors. In particular, in June 2013, we sold a 49.0% stake in Terminal Link to China Merchants Holding International Company Limited ("CMHI") for a cash consideration of $528.0 million, and in January 2013, Yildirim and FSI agreed to subscribe to $100.0 million and $150.0 million, respectively, of ORA, in addition to the $500.0 million of ORA acquired by Yildirim in January 2011. Our available cash position as of September 30, 2013 was $1.1 billion (net of overdrafts), and our gearing ratio (as defined by the February 2013 agreement with our group of bank lenders) was 0.77. In January 2013, as part of our debt restructuring, we also agreed a new set of covenants with our bank lenders, which includes a combination of minimum cash requirements, a maximum gearing ratio (both of which we significantly outperformed as of September 30, 2013) and restrictions on additional long term chartering and capital expenditures. We believe that these amendments make the Company better able to weather cyclical downturns in the container shipping industry, as they are linked primarily to gearing and cash position and as such are less sensitive to short-term fluctuations in our profitability.

Experienced management team. We benefit from what we believe to be one of the most highly qualified and experienced management teams in the container shipping industry. Jacques R. Saadé, the founder of CMA S.A., has been instrumental in building the business since its inception in 1978 from a niche French container shipping services provider to a significant global business with approximately 16,000 full-time equivalent employees, including approximately 4,350 in France, as of September 30, 2013. Mr. Saadé is supported by a senior management team, many of whom have long periods of service with the Company. We also selectively hire senior managers from outside the Company to provide our management team with new views, ideas and skills. Our management team is organized with a focus on broad information-sharing, timely decision-making and rapid responses to arising opportunities. Our five most senior executives have on average over 20 years of experience within the industry. In addition, at the operational level, we rely on our experienced team of line managers to optimize the cargo mix on each ship and on each line and load vessels efficiently, with a view towards maximizing profits while maintaining a high standard of quality.

Our Strategy

Our principal strategies are as follows:

Increase revenue from higher growth areas and markets. We intend to actively pursue opportunities on trades that are exhibiting significant growth, such as Asia-South America and North-South trades such as Europe-Africa. According to the Drewry Container Forecast report for the third quarter of 2013, volumes between the South American east coast and Asia grew by 16.4% between 2010 and 2011 and by 8.2% between 2011 and 2012 and are expected to grow by a further 10.2% between 2012 and 2013. We are already active in this area, with a market share of approximately 7.5% in terms of volumes in 2012. Similarly, although freight rates on the intra-Asia trade are extremely competitive, this area also demonstrates healthy opportunities for growth, with annual volumes of Asian ports growing by 15.6% between 2010 and 2011 and by 10.1% between 2011 and 2012, according to the Drewry Container Forecast report for the third quarter of 2013. Through Cheng Li Navigation, our subsidiary since 2007, we are already active in this area, with a market share of approximately 6% in terms of volumes in 2012. We are also concentrating on opportunities such as the reefer market, which still benefits from the conversion of conventional reefer transport to containerized transport and provide better profitability than the dry market. Our strategy in the reefer market is to identify very specific trades such as fruit and vegetables from Spain, citrus from Morocco or grape from India and provide shippers with logistics solutions including the introduction of ad-hoc container services. We believe that our substantial expertise, extensive network and track record of identifying and seizing upon opportunities in niche markets allow us to leverage our position in these higher growth areas and markets. We will also seek to increase our detention and demurrage revenues.

Improve capacity management in mature markets. We expect to improve our capacity management on trades the volumes of which have stabilized, such as Asia-Europe and Asia-United States. Transpacific volumes grew by 2.1% between 2010 and 2011 and by 2.8% between 2011 and 2012, while volumes on Asia-North Europe trades grew by 2.4% between 2010 and 2011 and decreased by 2.1% between 2011 and 2012, according to the Drewry Container Forecast report for the third quarter of 2013. Since these markets no longer exhibit volume growth, we plan to improve capacity management to reduce costs and increase profits. These initiatives include more precise management of our ships' speed in order to improve fuel consumption and cooperation agreements which permit more frequent departures and allow us to reach more ports, improve slot utilization and increase reliability while reducing slot costs. We currently have cooperation agreements in place with Maersk on the Asia-Mediterranean trade, with MSC on the Asia-Northern Europe trade, and with both Maersk and MSC on Transpacific trades to the United States west coast. We recently announced our P3 alliance with both Maersk and MSC, which, if it receives the necessary regulatory approvals, will cover six of the largest mature markets, including Asia-Northern Europe, Asia-Mediterranean, Asia-U.S. west coast, Asia-U.S. east coast, Transatlantic North and Transatlantic South.

Additional cost-reduction initiatives. We intend to add additional cost-reduction measures to our existing cost-reduction program to further increase efficiency and reduce expenses. One of such measures is to continue to outfit new vessels and retrofit existing vessels with specially-shaped bulbous bows to reduce drag. We believe that use of such bulbous bows throughout our fleet, in conjunction with increased use of slow steaming, will contribute to significant further reductions in our fuel costs. Another measure is the continued deployment of newer and larger vessels that generate cost savings and economies of scale. Where appropriate, we also intend to increase inland haulage volumes to gain leverage on haulage purchase price and purchase transportation from third-party feeder lines rather than deploy our own tonnage. We may also where appropriate convert feeder lines into mother lines, hence eliminating transshipment costs. In October 2013, we entered into a strategic partnership with SAP to develop a new information system that will cover commercial, as well as operational and financial processes, to allow for seamless data processing and improve availability of information throughout the Company and its subsidiaries. As this system will be tailored specifically to maritime transport, we believe it will enhance our efficiency and flexibility. Deployment of the new system is targeted to commence at the end of 2015 and to be implemented fully by 2017. We expect that the implementation of these and other cost-reduction techniques will continue to help us improve our profitability.

Increase revenue diversification. We plan to cultivate sources of revenue that complement our core maritime transport business. These complementary services include additional transport businesses, such as inland transport services and containerized reefer cargo. We believe that expanding our inland transport services, including transport via rail, road and waterway as well as local transfers by sea, will enable us to continue to transport containers door-to-door, offer customers a variety of supply chain management solutions and better manage our fleet of containers. Containerized reefer cargo provides clients with greater protection of their cargo against weather damage and risks of theft and allows for greater flexibility than conventional reefer capacity. When properly managed, reefer containers are more profitable than conventional reefer capacity, as a result of higher revenue and faster turn-around of equipment, and we believe that the market dynamics of containerized reefer cargo will continue to improve as conventional reefer capacity declines. As of September 30, 2013, we operated 156,400 TEU of reefer containers, representing 7.0% of our total container fleet. In addition to these complementary transport businesses, we also intend to continue to develop logistics services, such as those we offer through our subsidiary CMA CGM Logistics, which coordinates activities across all stages of the supply chain, including stock management, disassembling, packaging, packing, shipping, customs formalities, reassembling and distribution. We believe that expanding these complementary services will enable us to provide our customers with a greater range of alternatives and will enhance our position as a full-service provider.

Improve customer services. We intend to maintain our efforts to improve customer services throughout our network by increasing our offer in terms of transport solutions on land and at sea. The P3 alliance, if and when cleared by relevant authorities, would allow a substantial improvement in available direct links and port pairs between Asia, the United States and Europe, which would decrease transit time and transshipment of volumes to the benefit of our customers. Independently of the P3 alliance, we also intend to expand our offer in terms of specialized cargo. We have developed, with a fully dedicated team, an expertise in carrying heavy lift or out-of-gauge cargo such as trains, parts of planes, large pieces of industrial cargo, yachts and other items; we also have a fully dedicated team focusing on reefer cargo to ensure the fastest possible delivery of each shipment of reefer cargo. We have also recently launched a new website where our clients are able to book our services, issue bills of lading and track containers once they have been loaded.

Focused investment program. We intend to continue to invest in selected strategic assets in the chain of logistics, such as vessels, dry ports, terminals and logistics assets to support revenue diversification. We have already invested in dry ports or container depots in India, North Africa and in logistics hubs such as Duisburg (Germany) where cargo can be transferred from rail to barge or truck or can be stored. We are also contemplating various developments in dry ports and terminals in Asia, the Caribbean and Sub-Saharan Africa. We believe that continuing to invest in strategic assets in the logistical chain which may take the form of wholly-owned subsidiaries, majority stakes, or strategic minority positions will help us maintain our cost structure while supporting revenue diversification. In terms of new shipbuilding orders, our focus will continue to be on strategic assets such as post-Panamax ships in conjunction with the Panama Canal expansion program. We will invest selectively in new ships and favor chartering arrangements, including ones coupled with shipyard financing arrangements as shown by our recent orders.

Recent Developments

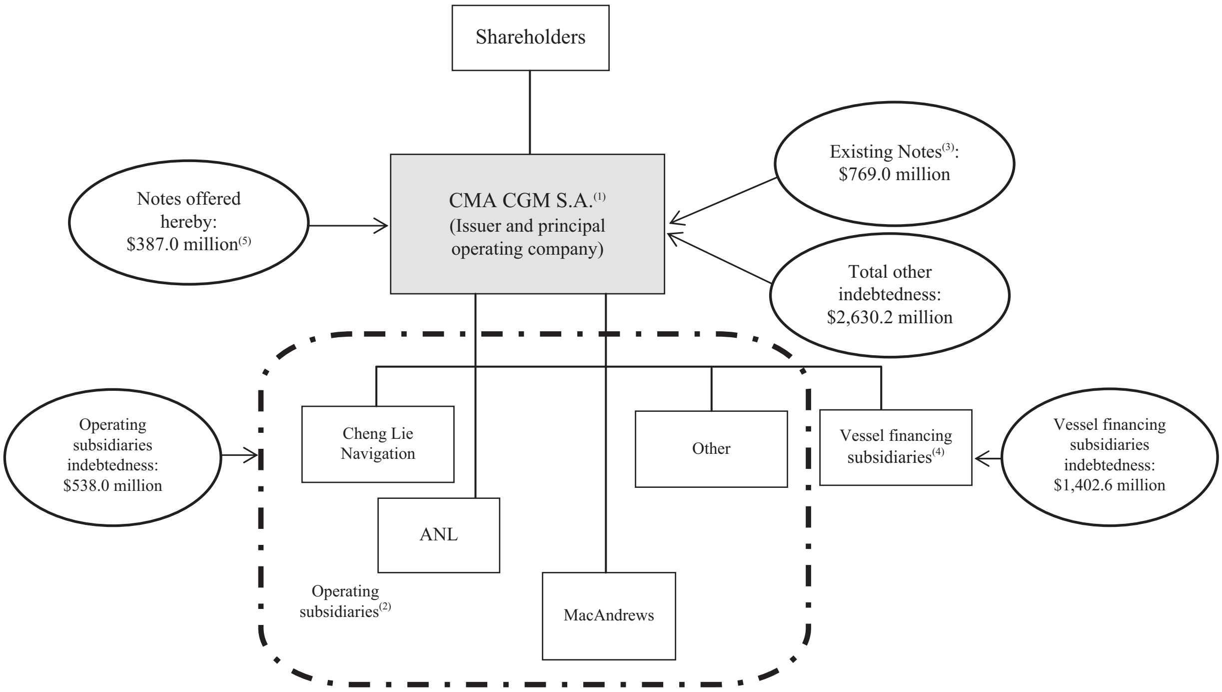
Since September 30, 2013, freight rates have remained volatile, especially on the Asia North Europe and Asia Mediterranean trades. Various rate increases have been announced by shipping companies during this period (particularly in early/mid-November); they have generally been followed by erosion of freight terms in the following weeks, however, confirming the general trend of high volatility seen since early 2012, which we expect to continue for the time being. In the same vein, we have recently announced new rate increases such as a $750/TEU increase planned to take effect as from December 15, 2013 on the Asia-North Europe trade. Also, current volumes are consistent with the general seasonal pattern whereby the fourth quarter is not the highest in terms of activity; in this respect fourth quarter volumes and revenues are currently expected to be lower than those recorded in the third quarter. We have been implementing typical capacity adjustment measures such as blanking of sailings since September 30, 2013.

With respect to liquidity, we currently expect that available cash will be higher at year end than at September 30, 2013 due in particular to a $200 million drawing in October of a new receivables securitization program and cash proceeds expected to be received in December from a sale and leaseback transaction in relation to containers for a total consideration of $126.4 million that we are in the process of documenting.

Following our announcement on October 18 of certain details regarding the proposed P3 alliance, discussions are ongoing with the relevant regulatory authorities (in Europe, the United States and China) in view of obtaining the necessary approvals.

CORPORATE AND FINANCING STRUCTURE

The following chart shows a simplified summary of our corporate and financing structure on a pro forma basis as of September 30, 2013, after giving effect to the issuance of the notes offered hereby and the application of the net proceeds therefrom. The indebtedness below is based on the obligations of the principal obligor only and does not reflect the impact of any guarantees. Any indebtedness denominated in euros has been converted using the Company's balance sheet exchange rate of $1.3505 = €1.00 as of September 30, 2013. For more information, see "*Principal Shareholders*," "*Description of Certain Financing Arrangements*" and "*Description of Notes*."



(1) As of September 30, 2013, the Issuer held 48.6% of the group's total assets, excluding investments in the stock of subsidiaries, and generated 72.9% of the group's revenues and 22.4% of the group's EBITDA for the twelve months ended September 30, 2013. The operating subsidiaries are Restricted Subsidiaries for purposes of the indenture governing the notes.

(2) As of September 30, 2013, the operating subsidiaries accounted for 29.0% of the group's total assets, excluding investments in the stock of subsidiaries, and generated 27.1% of its revenues and 77.6% of its EBITDA for the twelve months ended September 30, 2013.

(3) Aggregate principal amount of the 8.5% euro-denominated Senior Notes due 2017 and the 8.875% dollar-denominated Senior Notes due 2019 outstanding on September 30, 2013.

(4) As of September 30, 2013, the vessel financing subsidiaries held 22.4% of the group's total assets, excluding investments in the stock of subsidiaries. The vessel financing subsidiaries are Restricted Subsidiaries for purposes of the indenture governing the notes.

(5) Represents gross proceeds of $395.2 million less $8.2 million of costs of issuance that are capitalized according to IFRS.

THE OFFERING

The following is a brief summary of certain terms of this offering. For additional information regarding the notes, see "Description of Notes."

Issuer	CMA CGM S.A., a French *société anonyme*.
Notes Offered	€300,000,000 aggregate principal amount of 8.75% Senior Notes due 2018 (the "notes").
Issue Price	97.552%, plus accrued interest if any from the Issue Date.
Issue Date	December 16, 2013.
Maturity	The notes will mature on December 15, 2018.
Interest Rate	The notes will bear interest at a rate of 8.75% per year.
Interest Payment Dates	June 15 and December 15, beginning on June 15, 2014.
Ranking	The notes will be our unsecured senior obligations and will: • rank senior in right of payment to all our existing and future debt and obligations that are, by their terms, expressly subordinated in right of payment to the notes; • rank equally in right of payment to all our existing and future senior debt and obligations that are not, by their terms, expressly subordinated in right of payment to the notes including the existing notes; • be effectively subordinated in right of payment to all our existing and future secured indebtedness, to the extent of the value of the assets securing such debt; and • be structurally subordinated to all existing and future debt and obligations of our subsidiaries. As of September 30, 2013, on a *pro forma* basis after giving effect to the issuance of the notes offered hereby and the use of the net proceeds thereof, we would have had $5,726.7 million of total indebtedness, of which $4,428.8 million was secured indebtedness, $538.0 million was debt of our operating subsidiaries and $1,402.6 million was debt of our vessel financing subsidiaries (based on the obligations of the principal obligor only and not reflecting the impact of any guarantees). As of and for the twelve months ended September 30, 2013, the Issuer held 48.6% of the group's total assets, excluding investments in the stock of its subsidiaries, and generated 72.9% of its revenues, 22.4% of its EBITDA and 21.3% of its Adjusted EBIT.
Optional Redemption	At any time prior to December 15, 2015, we may redeem all or part of the notes at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium described in these listing particulars and accrued and unpaid interest to the date of redemption. For more information, see "*Description of Notes—Optional Redemption of Notes prior to December 15, 2015*." In addition, at any time prior to December 15, 2015, we may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds from certain equity offerings at a redemption price

equal to 108.750% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the redemption date provided that at least 65% of the aggregate principal amount of the notes (including any Additional Notes (as defined herein)) originally issued remain outstanding after the redemption. For more information, see "*Description of Notes—Optional Redemption prior to December 15, 2015 upon Equity Offering*."

We may redeem the notes on or after December 15, 2015, in whole or in part, at our option at the redemption prices set forth under the caption "*Description of Notes—Optional Redemption of Notes after December 15, 2015,*" plus accrued and unpaid interest, if any. For more information, see "*Description of Notes—Optional Redemption of Notes after December 15, 2015.*"

In addition, we may redeem all, but not less than all, of the notes upon not less than 30 or more than 60 days' notice, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, if we have or will become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances. For more information, see "*Description of Notes—Optional Redemption—Redemption upon Changes in Withholding Taxes*."

Original Issue Discount	The notes may be issued with original issue discount ("OID") for U.S. federal income tax purposes. See "*Certain Tax Considerations—U.S. Federal Income Tax Considerations*."
Change of Control	Upon the occurrence of a "Change of Control," you will have the right, as holders of the notes, to require us to repurchase some or all of your notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of the purchase. For a summary of what constitutes a Change of Control, see "*Description of Notes—Purchase of Notes upon a Change of Control*." We may not be able to pay you the required price for notes you present to us at the time of a Change of Control, because: • we may not have enough funds at that time; or • the terms of our senior debt may prevent us from making such payment.
Covenants	The Indenture contains covenants for the benefit of the holders of the notes that include, subject to important limitations and exceptions, restrictions on our ability and the ability of our Restricted Subsidiaries to: • incur additional debt; • create liens on assets to secure debt; • make payments, including dividends or other distributions, with respect to shares of the Issuer or the Restricted Subsidiaries; • prepay or redeem subordinated debt or equity; • make investments; • create restrictions on the payment of dividends or other distributions to and on the transfer of assets to the Issuer or any other Restricted Subsidiary;

	• sell, lease or transfer certain assets, including shares of Restricted Subsidiaries; • engage in transactions with affiliates; • in the case of a Restricted Subsidiary, guarantee our debt; • designate our subsidiaries as unrestricted subsidiaries; • engage in a business not related to our business or that of the Restricted Subsidiaries; and • consolidate or merge with or into, or sell or otherwise dispose of all or substantially all our assets to, another person. Certain covenants will be suspended after the notes obtain investment grade ratings from two of Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Financial Services LLC ("Standard & Poor's") and Fitch Ratings Ltd. ("Fitch"). For more information, see "*Description of Notes*."
Transfer Restrictions	We have not registered the notes under the Securities Act or the securities laws of any other jurisdiction and we do not intend to do so. Consequently, you may not offer or sell the notes within the United States except pursuant to an exemption from, or in a transaction not subject to, the Securities Act or in other jurisdictions except under an exemption from, or in a transaction not subject to, the applicable securities laws of such other jurisdictions. See "*Plan of Distribution*" and "*Notice to Investors*."
Use of Proceeds	We will use the net proceeds from the offering of the notes for general corporate purposes. We will also use the net proceeds from the offering of the notes to make an early partial prepayment of the New Term Loan on the closing date as required by the terms thereof. We will refinance such prepayment and prepay other amounts then remaining due under the New Term Loan in full as soon as practicable following the closing of the offering using proceeds from the €145.0 million Refinancing Term Loan for which we have received a firm commitment letter from the arrangers named therein. See "*Use of Proceeds*."
No Prior Market	The notes will be new securities for which there is currently no market. Accordingly, we cannot assure you as to whether a market for the notes will develop or be maintained or as to the liquidity of any such market. While the initial purchasers have informed us that they currently intend to make a market in the notes, they are not obligated to do so and they may discontinue market-making activities in their sole discretion at any time without notice.
Trustee, Principal Paying Agent, Transfer Agent and Registrar	The Bank of New York Mellon, London Branch.
Luxembourg Listing Agent, Luxembourg Transfer Agent, Luxembourg Paying Agent and Co-Registrar	The Bank of New York Mellon (Luxembourg) S.A.
Listing	We have applied to list the notes on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Euro MTF market of the Luxembourg Stock Exchange.
Governing Law	New York law.

Risk Factors

Investing in the notes involves risks. You should consider carefully the information set forth in the section of these listing particulars entitled "*Risk Factors*," beginning on page 17, and all the other information provided to you in these listing particulars before deciding whether to invest in the notes.

Additional Information

Our head office and principal executive offices are located at 4 Quai d'Arenc, 13235 Marseilles Cedex 02, France. Our telephone number is +33 (0) 4 8891 9000. We were incorporated in France on September 1, 1978.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following table presents summary consolidated financial and operating information for the Company, at the dates and for the periods indicated. The summary historical consolidated financial information as of and for each of the years ended December 31, 2010, 2011 and 2012 is derived from our audited consolidated financial statements for the financial years ended December 31, 2011 and 2012 prepared in accordance with IFRS. The summary historical consolidated financial information as of and for the nine months ended September 30, 2012 and 2013 is derived from our unaudited interim condensed consolidated financial statements as of and for the nine months ended September 30, 2013 prepared in accordance with IAS 34 – the standard of IFRS as adopted by the European Union applicable to interim financial statements. The summary historical consolidated financial information as of and for the twelve months ended September 30, 2013 is the sum of the relevant income statement item for the financial year ended December 31, 2012 and the relevant income statement item for the nine months ended September 30, 2013, less the relevant item for the nine months ended September 30, 2012. The free English language translation of our audited consolidated financial statements as of and for the years ended December 31, 2011 and 2012 and our unaudited interim condensed consolidated financial statements as of and for the nine months ended September 30, 2013 are included elsewhere in these listing particulars.

You should read this summary consolidated financial and operating information along with the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our audited consolidated financial statements, a free English language translation of which is included elsewhere in these listing particulars, and with our unaudited interim condensed consolidated financial statements included elsewhere in these listing particulars. Compared to our audited consolidated financial statements for the year ended December 31, 2011, the figures at and for the year ended December 31, 2011 in the tables below have been restated to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised, as it was disclosed in Note 2.2 of our audited consolidated financial statements as of and for the year ended December 31, 2012. The figures at and for the year ended December 31, 2010 were not restated to reflect the early adoption of IAS 19 Revised and are therefore not prepared on the same basis.

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2010	2011	2012	2012	2013	2013
	($ in millions)					
Consolidated Income Statement Data						
Revenue	**14,290.9**	**14,869.6**	**15,923.2**	**11,949.1**	**11,990.2**	**15,964.3**
Operating expenses[(1)]	(11,780.2)	(14,562.6)	(14,617.7)	(10,920.0)	(11,136.7)	(14,834.4)
Gains/(losses) on disposal of property, equipment and subsidiaries	5.7	421.7	18.9	16.8	310.8	312.9
Operating profit before depreciation, amortization, income from associates and joint ventures and other non-cash operating items	**2,516.5**	**728.7**	**1,324.3**	**1,045.9**	**1,164.3**	**1,442.7**
Depreciation, amortization of non-current assets	(364.7)	(409.9)	(405.6)	(305.0)	(318.3)	(418.9)
Other income and expenses	(51.6)	51.4	(45.4)	(10.7)	(96.6)	(131.3)
Amortization of NPV benefit related to assets	54.5	90.1	95.4	67.1	91.8	120.1
Share of profit (loss) of associates and joint ventures	10.1	24.4	39.1	31.2	10.8	18.7
Operating profit/(loss)	**2,164.8**	**484.7**	**1,007.9**	**828.5**	**852.0**	**1,031.4**
Cost of net debt	(276.0)	(430.8)	(409.9)	(307.0)	(333.7)	(436.6)
Other financial items[(2)]	(210.9)	(2.2)	(63.9)	(53.2)	(10.9)	(21.6)
Income taxes	(23.8)	(33.5)	(64.7)	(49.9)	(56.3)	(71.1)
Profit/(loss) from discontinued operations	**0.0**	**(22.7)**	**(108.8)**	**(108.8)**	**0.0**	**0.0**
Profit/(loss) for the year	**1,654.0**	**(4.6)**	**360.6**	**309.6**	**451.0**	**502.0**
Profit/(loss) for the year for the owners of the parent	**1,626.7**	**(35.4)**	**332.0**	**284.3**	**434.0**	**481.7**
Profit/(loss) for the year for the non-controlling interests	**27.3**	**30.8**	**28.6**	**25.3**	**17.1**	**20.4**

	As of December 31, 2010	2011	2012	As of September 30, 2013
	($ in millions)			
Consolidated Balance Sheet Data				
Intangible assets	722.4	658.7	488.0	502.0
Vessels	5,519.0	6,278.6	6,041.3	6,209.8
Containers	949.6	772.3	738.4	666.8
Land and buildings	669.3	637.7	627.4	613.2
Other property and equipment	364.2	192.8	123.5	111.1
Other non-current assets(3)	1,282.2	1,572.0	1,468.1	1,623.9
of which LTV deposits	198.4	125.1	200.5	154.0
Inventories	405.0	519.7	484.5	472.9
Trade and other receivables	2,031.6	2,103.8	2,230.5	2,391.3
Securities	28.5	18.2	12.0	118.5
Cash and cash equivalents	538.7	857.1	601.3	1,135.8
Other current assets(4)	284.1	292.6	215.7	187.5
Assets classified as held-for-sale	473.1	56.4	610.1	2.1
Total assets	**13,267.7**	**13,959.8**	**13,641.0**	**14,034.9**
Total equity	**3,476.6**	**3,720.1**	**4,039.4**	**4,566.3**
Financial debt non-current portion(5)	4,346.9	4,956.5	3,741.7	4,426.3
Other non-current liabilities(6)	505.3	392.8	335.6	378.7
Financial debt current portion(5)	1,243.8	1,151.3	1,821.5	1,049.0
Other current liabilities(7)	3,360.1	3,709.9	3,488.2	3,614.6
Liabilities associated with assets classified as held-for-sale	335.0	29.2	214.6	—
Total liabilities & equity	**13,267.7**	**13,959.8**	**13,641.0**	**14,034.9**

	For the year ended December 31, 2010	2011	2012	For the nine months ended September 30, 2012	2013	For the twelve months ended September 30, 2013
	($ in millions)					
Consolidated Cash Flow Statement Data						
Cash inflow (outflow) from:						
Operating activities	1,928.1	287.5	984.5	664.5	785.0	1,105.0
Investing activities	(1,045.0)	(173.0)	(189.9)	(64.5)	401.8	276.4
Financing activities	(763.2)	88.9	(922.4)	(684.5)	(786.8)	(1,024.7)
Net increase (decrease) in cash, cash equivalents and bank overdrafts	119.9	203.4	(127.8)	(84.5)	400.0	356.7
Cash, cash equivalents and bank overdrafts at the end of the period	506.4	710.2	582.4	625.6	982.4	982.4

	As of and for the year ended December 31,			As of and for the nine months ended September 30,		As of and for the twelve months ended September 30,
	2010	2011	2012	2012	2013	2013
	($ in millions)					
Other Consolidated Financial Data						
EBITDA[8]	2,516.5	728.7	1,324.3	1,045.9	1,164.3	1,442.7
EBITDA margin[9]	17.6%	4.9%	8.3%	8.8%	9.7%	9.04%
Adjusted EBITDA[8]	2,510.8	307	1,305.4	1,029.1	853.5	1,129.8
Adjusted EBIT[10]	2,210.7	11.6	1,034.4	822.4	637.8	849.9
Adjusted EBIT margin	15.5%	0.1%	6.5%	6.9%	5.3%	5.3%
Chartering expenses	1,390.7	1,566.4	1,510.4	1,123.9	1,123.6	1,511.1
Net interest expense[11]	(217.0)	(298.5)	(343.9)	(259.5)	(247.5)	(331.9)
Capital expenditures[12]	1,376.0	1,159.1	290.5	72.6	519.3	737.2
Net debt[13]	5,160.1	5,136.6	4,964.0	4,814.9	4,067.0	4,067.0
Adjusted net debt[13]	4,919.5	5,013.8	4,569.2	4,662.9	3,747.0	3,747.0
Adjusted equity	3,426.9	3,949.6	4,214.9	4,207.2	4,854.4	4,854.4
Pro forma cash and cash equivalents, securities and LTV deposits[14]						1,659.8
Pro forma adjusted net debt[15]						3,747.0
Pro forma net interest expense[16]						(364.7)
Ratio of *pro forma* adjusted net debt to adjusted EBITDA[17]						3.32
Ratio of adjusted EBITDA to *pro forma* net interest expense[18]						3.10
Gearing ratio[19]	1.44	1.27	1.08	1.11	0.77	0.77

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2010	2011	2012	2012	2013	2013
	(TEU thousands, except number of ships and average revenue per TEU)					
Operational Data						
Volumes transported	9,041	10,016	10,603	7,987	8,542	11,158
Total fleet capacity	1,224	1,345	1,446	1,425.1	1,559.3	1,559.3
Container fleet (TEU)	1,856	2,101	2,155	2,159	2,249	2,249
Number of owned container ships	91	91	84	86	81	81
Capacity of owned container ships	441.0	514.8	509.9	497.2	535.9	535.9
Number of chartered container ships	305	303	330	326	349	349
Capacity of chartered container ships	782.7	829.9	935.9	927.9	1,023.3	1,023.3
Average revenue per TEU[20]	1,580.6	1,484.6	1,501.8	1,496.1	1,403.7	1,430.8

(1) The following table presents a detailed breakdown of our operating expenses for the periods presented.

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2010	2011	2012	2012	2013	2013
	($ in millions)					
Bunkers and consumables	2,714.6	3,879.5	3,845.1	2,909.0	2,673.9	3,610.0
Chartering and slot purchase	1,597.1	1,937.5	1,747.8	1,306.9	1,329.1	1,770.0
Handling and stevedoring	2,762.1	3,194.3	3,401.9	2,537.7	2,676.7	3,540.9
Transportation	1,174.5	1,480.4	1,533.8	1,152.8	1,244.1	1,625.1
Port and canal	954.0	1,039.8	1,028.4	761.2	823.2	1,090.4
Logistic	863.7	1,056.7	1,139.0	836.4	913.3	1,215.9
Employee benefits	989.5	1,108.6	1,088.8	808.7	837.8	1,117.9
General and administrative other than employee benefits	609.1	628.9	619.3	459.3	460.4	620.4
Subtractions (additions) to provisions and allowances, net of reversals and impairment of inventories and trade receivables	(4.0)	3.2	50.8	20.0	41.3	72.1
Operating exchange losses/(gains), net	(29.0)	46.4	(.1)	(12.6)	(13.5)	(1.0)
Other operating expense, net	148.6	187.2	163.0	140.5	150.4	172.9
Operating expenses	**11,780.2**	**14,562.6**	**14,617.8**	**10,920.0**	**11,136.7**	**14,834.5**

(2) "Other financial items" primarily includes changes in fair value and settlement of derivative instruments that do not qualify for hedge accounting. See note 10 to the consolidated financial statements included elsewhere in these listing particulars.

(3) "Other non-current assets" represents deferred tax assets, investments in associates and joint ventures, derivative financial instruments and other financial assets.

(4) "Other current assets" represents derivative financial instruments and prepaid expenses.

(5) The portion of current and non-current financial debt has been determined as if past breaches of financial covenants had been cured as at December 31, 2010 and December 31, 2012. See Note 3 of the audited consolidated financial statements as at and for the year ended December 31, 2012.

(6) "Other non-current liabilities" represents derivative financial instruments, deferred tax liabilities, provisions and retirement benefits obligations and non-current deferred income.

(7) "Other current liabilities" represents derivative financial instruments, current portions of provisions, trade and other payables and current deferred income.

(8) EBITDA is, as mentioned in the consolidated financial statements, operating profit before depreciation, amortization, income from associates and joint ventures and other non-cash operating items. Neither EBITDA nor adjusted EBITDA is a substitute for operating profit/(loss) for the year or net cash generated from operating activities as determined in accordance with IFRS. EBITDA and adjusted EBITDA are presented as additional information because we believe that they are widely used as measures to evaluate a company's operating performance and financial requirements. Because EBITDA and adjusted EBITDA are not calculated identically by all companies, our presentation of EBITDA and adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Our discretionary use of EBITDA and adjusted EBITDA, however, may be limited by working capital, capital expenditure and debt service requirements and by contractual, legal and other restrictions. The following table presents the reconciliation of EBITDA and adjusted EBITDA to operating profit/(loss):

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2010	2011	2012	2012	2013	2013
	($ in millions)					
Operating profit/(loss)	**2,164.8**	**484.7**	**1,007.9**	**828.5**	**852.0**	**1,031.4**
Plus: Depreciation and amortization of non-current assets	364.7	409.9	405.6	305.0	318.3	418.9
Plus: Other income and expenses	51.6	(51.4)	45.4	10.7	96.6	131.3
Less: Amortization of NPV benefit related to assets	(54.5)	(90.1)	(95.4)	(67.1)	(91.8)	(120.1)
Less: Share of profit/(loss) of the associates and joint ventures	(10.1)	(24.4)	(39.1)	(31.2)	(10.8)	(18.7)
EBITDA	**2,516.5**	**728.7**	**1,324.4**	**1,045.9**	**1,164.3**	**1,442.8**
Less: Gains on disposal of property and equipment and subsidiaries	5.7	421.7	18.9	16.8	310.8	312.9
Adjusted EBITDA	**2,510.8**	**307**	**1,305.4**	**1,029.1**	**853.5**	**1,129.8**

(9) EBITDA margin represents EBITDA divided by revenue.

(10) Adjusted EBIT represents EBIT less gains/losses from asset disposals and adding back impairment charges. The following table reconciles adjusted EBIT to EBIT (i.e., operating profit):

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2010	2011	2012	2012	2013	2013
	($ in millions)					
Operating profit	**2,164.8**	**484.7**	**1,007.9**	**828.5**	**852.0**	**1,031.4**
Less: Gains on disposal of property and equipment and subsidiaries	5.7	421.7	18.9	16.8	310.8	312.9
Less: Other income and expenses	(51.6)	51.4	(45.4)	(10.7)	(96.6)	(131.3)
Adjusted EBIT	**2,210.7**	**11.6**	**1,034.4**	**822.4**	**637.8**	**849.8**

(11) Net interest expense represents interest expense on financial debt, less interest income on cash and cash equivalents.

(12) Capital expenditures represent our investments in vessels, containers and other intangible and fixed assets either owned or held under finance leases, acquired directly or through a business combination. The following table breaks down capital expenditures:

	For the year ended December 31,			For the nine months ended September 30,	
	2010	2011	2012	2012	2013
	($ in millions)				
Ships	1,123.3	1,017.1	179.7	18.0	436.6
Containers	23.8	14.4	56.7	16.5	7.4
Software	19.0	27.8	27.7	22.1	58.7
Other	209.9	99.8	26.4	16.0	16.6
Total	**1,376.0**	**1,159.1**	**290.5**	**72.6**	**519.3**

(13) Net debt represents non-current and current financial debt plus financial debt associated with assets classified as held for sale less cash and cash equivalents, securities and LTV deposits presented within other financial assets. Adjusted net debt represents net debt less the portion of the ORA accounted for as debt under IFRS, less the amount of financial debt associated with assets classified as held for sale, less unavailable cash (such as cash allotted as collateral for margin calls). Certain of our financing arrangements require cash deposits as collateral when the loan to fair market value ratios of our vessels are below a certain level. The cash deposits are held as collateral for the related financing and, accordingly, we have deducted the deposits for the purpose of determining net debt and adjusted net debt. The following table shows the calculation of net debt and adjusted net debt:

	As of December 31,			As of September 30,	
	2010	2011	2012	2012	2013
	($ in millions)				
Total debt (current and non-current portion)	5,590.7	6,107.8	5,563.2	5,668.7	5,475.3
Plus: Financial debt associated with assets classified as held for sale	335.0	29.2	214.6	0.7	0.0
Less: Cash and cash equivalents	538.7	857.1	601.3	649.7	1,135.8
Less: Securities	28.5	18.2	12.0	21.1	118.5
Less: LTV deposits[21]	198.4	125.1	200.5	183.7	154.0
Net debt	**5,160.1**	**5,136.6**	**4,964.0**	**4,814.9**	**4,067.0**
Less: Portion of redeemable bonds (ORA) accounted for as financial debt	(0.0)	(251.4)	(221.6)	(237.0)	(339.4)
Less: Financial debt associated with assets classified as held for sale	(335.0)	(29.2)	(214.6)	(0.7)	(0.0)
Plus: Restricted cash	94.4	157.8	41.4	85.7	19.4
Adjusted net debt	**4,919.5**	**5,013.8**	**4,569.2**	**4,662.9**	**3,747.0**

(14) *Pro forma* cash, cash equivalents, securities and LTV deposits represent cash, cash equivalents, securities and LTV deposits, as adjusted to give effect to the issuance of the notes and the application of the net proceeds therefrom, in each case as if such event had occurred on September 30, 2013. U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of $1.3505 = €1 (the exchange rate as of September 30, 2013 used by the Company for its consolidated balance sheet as of such date). See "*Use of Proceeds*" and "*Capitalization*."

(15) *Pro forma* adjusted net debt represents adjusted net debt, as further adjusted to give effect to the issuance of the notes and the application of the net proceeds therefrom, in each case as if such event had occurred on September 30, 2013. U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of $1.3505 = €1 (the exchange rate as of September 30, 2013 used by the Company for its consolidated balance sheet as of such date). See "*Use of Proceeds*" and "*Capitalization*."

(16) *Pro forma* net interest expense represents net interest expense, as further adjusted to give effect to the issuance of the notes and the application of the net proceeds therefrom, in each case as if such event had occurred on October 1, 2012. U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of $1.3505 = €1 (the exchange rate as of September 30, 2013 used by the Company for its consolidated balance sheet as of such date). See "*Use of Proceeds*" and "*Capitalization*."

(17) We define the ratio of *pro forma* adjusted net debt to adjusted EBITDA as *pro forma* adjusted net debt divided by adjusted EBITDA.

(18) We define the ratio of adjusted EBITDA to *pro forma* net interest expense as adjusted EBITDA divided by *pro forma* net interest expense.

(19) We define the gearing ratio as adjusted net debt divided by adjusted equity. Adjusted equity represents total equity less reserves for currency translation adjustments and plus the portion of the ORA accounted for as financial debt. The following table shows the calculation of adjusted equity:

	As of December 31,			As of September 30,	
	2010	2011	2012	2012	2013
	($ in millions)				
Total equity	**3,476.6**	**3,720.1**	**4,039.4**	**4,010.3**	**4,566.3**
Plus: Portion of redeemable bonds (ORA) accounted for as financial debt	0.0	251.4	221.6	237.0	339.4
Less: Currency translation reserve	(49.7)	(21.9)	(46.1)	(40.1)	(51.3)
Adjusted equity	**3,426.9**	**3,949.6**	**4,214.9**	**4,207.2**	**4,854.4**

(20) Average revenue per TEU represents total revenue divided by total TEU volumes transported.

(21) LTV represents cash deposited in escrow accounts in relation to certain loan-to-value provisions in financing agreements, whereby a cash deposit is required when the ratio of the loan to the fair market value of a vessel (as estimated by independent brokers) is above a certain level. See Note 21 to our 2012 audited consolidated financial statements.

RISK FACTORS

An investment in the notes involves a high degree of risk. In addition to the other information contained in these listing particulars, you should carefully consider the following risk factors before purchasing the notes. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial could also adversely affect our business, results of operations and financial condition. If any of the possible events described below were to occur, our business, results of operations and financial condition could be materially and adversely affected. If that happens, the trading prices of the notes could decline, we may not be able to pay interest or principal on the notes when due and you could lose all or part of your investment.

These listing particulars also contains "forward-looking" statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in these listing particulars. Please see "Forward-Looking Statements."

Risks Relating to Our Business and Industry

Our results of operation and financial condition are highly sensitive to the highly cyclical and volatile nature of the container shipping industry and imbalances of supply and demand.

Container shipping is heavily dependent on the prevailing conditions in the world's economies. Fluctuations in the economic climate have an above-average effect on the container shipping industry, which has historically exhibited cyclical dynamics. Freight rates are highly volatile, primarily due to variations in the demand for container shipping services and the global supply of capacity.

Changes in the demand for container shipping are difficult to predict and are generally beyond our control. Demand is influenced by, among other factors, global and regional economic growth, the shift in manufacturing away from the Western hemisphere to Asia, the demand for consumer goods in North America and Europe, changes in seaborne and other transportation patterns, consumption and sourcing patterns, prices of commodities as negotiated by major importers and exporters, changes in weather patterns, environmental concerns, political conditions, armed conflicts, canal and port closures, changes in fuel and lubricant prices and changes in the regulatory regimes affecting shipping. In addition, because freight rates and other items can vary significantly from line to line, our profitability for any given period can be affected by the geographic mix of the lines from which we generate revenue during that period. Consequently, regional changes in demand can have a disproportionate impact on our results of operations during that period.

Matching capacity with demand has, however, been a challenge for the industry and the market is currently oversupplied as result of the high levels of new ordering which occurred between 2006 and 2008 and again since mid-2010, with the exception of a lull in late 2011 and early 2012. The global supply of capacity is determined by the number and size of container ships in the world, including in the charter market, the assignment of these ships to regular routes (called "trades"), the delivery of new ships, the availability of financing for container ships, the conversion of container ships to other uses, the scrapping of older ships, the availability of containers, the impact of port congestion and the regulation of maritime transportation practices by governmental or international authorities, including changes in environmental and other regulations that could limit the useful lives of vessels. The global supply of capacity has also been affected by slow steaming and super-slow steaming initiatives, as reduced average speed requires more ships on a given trade to maintain the same schedule. If individual competitors, or the industry as a whole, were to end slow steaming, the global supply of dynamic capacity would increase significantly.

Historically, carriers have responded to periods of high demand for container shipping services and increasing freight rates by investing in new vessels and containers. These investments tend to lead to lower freight rates as newly-available vessel and container capacity catches up with, and possibly exceeds, demand for container shipping services. Further, as vessels generally have an economic life of at least 25 years and must be ordered two to three years in advance, there can be periods of excess or deficit capacity relative to the demand for shipping transport volumes, and new capacity could enter the market after demand has already peaked. As a result, it can often take several years to correct a market imbalance. In the past, the shipping industry has been affected by repeated ordering of excess capacity during periods of strong demand. Increases in capacity or decreases, or lower than anticipated increases, in the demand for container shipping can lead to significantly lower freight rates, reduced shipping transport volume or a combination of the two. During times of weak demand, we could also be unable to use the full capacity of our vessels or to maintain freight rates, each of which could directly affect our margins.

The industry's current orderbook for new vessels for deliveries from October 2013 onwards represents approximately 21% of current capacity. This orderbook, as well as our orderbook, is heavily skewed towards larger vessels, which have the greatest impact on the supply to demand balance. Since January 2013, there has been another surge in ordering with approximately 1.4 million TEU ordered, including some 56 ships of at least 10,000 TEU. As larger ships are placed into service, they could put more pressure on the supply to demand balance within the relevant trades and ultimately on freight rates on such trades. For instance, freight rates have decreased from an average $2,100 per TEU in February 2013 to a low of $550 per TEU on the Asia-ECSA trade in early October 2013. As a result, container shipping operators could find it increasingly difficult to manage an effective cascade of their operated tonnage across all trade lanes. In addition, larger ships are still relatively inflexible in terms of their deployment and face operational limitations, including water depth or available lengths of berths, in certain ports or on certain routes. See "*Industry—Containership Supply—Containership Orderbook.*" Assuming scheduled deliveries of vessels in the orderbook, the increase in supply is generally expected to continue to outstrip the increase in demand in 2014, according to the Drewry Q3 2013 report.

Imbalances of supply and demand as well as the cyclicality and volatility of our industry could have a material adverse effect on our business, results of operations and financial condition.

Current and future market conditions could have an adverse effect on transport volumes and freight rates.

The growth of the container shipping industry, both in terms of volumes of container trade and relative levels of freight rates, depends on the growth of gross domestic product in major consumption areas, the economic performance of newly industrialized countries and the development of global trade in general. An example of this correlation was the sharp decline in industry performance in the 2008 to 2009 period as a result of the global financial and economic crisis. The volumes of container trade contracted in 2009 for the first time in history and freight rates plummeted. Another example was a sharp and prolonged decrease in freight rates from early-mid 2010 to early 2012 due to supply to demand imbalances resulting from increased supply of new vessels that had been ordered prior to the crisis and overall market conditions. If the global financial and credit markets, the global economy more generally or the container shipping market itself were to experience significant disruptions in the future, our business, results of operations and financial condition could be materially and adversely affected, including in the following ways:

- transport volumes could decrease, leading to overcapacities that we are not able to fully utilize;
- we may not be able to obtain financing for new ships, capital expenditures and business operations on favorable terms or at all;
- the market value of our vessels could decrease, which could cause us to recognize losses if any of our vessels are sold or could cause breaches of loan-to-value covenants in any existing financings; and
- we could be subject to risk of loss resulting from defaults or delays in payment by our customers, who are subject to their own operating and regulatory risks.

Furthermore, since there are differences in transport volumes and freight rates among the different lines we operate, adverse economic or market conditions affecting any of our lines could have a disproportionately adverse and material effect on our business, results of operations and financial condition.

The container shipping industry is highly competitive and characterized by short-term contractual arrangements.

The container shipping business is highly competitive. Absolute size is an important competitive factor as it allows for economies of scale. Both of our two main global competitors, Maersk and MSC, are larger than we are in terms of revenue, volumes and capacity. We also compete with numerous smaller global and regional shipping companies. Another feature of our industry is alliances among shipping companies whereby companies share ships and slots and thereby achieve economies of scale and cost reductions. We are both a part of and compete against such alliances. See "Industry—Inter-carrier Cooperation." Our competitors, whether individually or as an alliance, could be better positioned to achieve, maintain and exploit economies of scale and invest in technologically more advanced vessels and could thus be able to offer more attractive schedules, services and rates than us.

We compete intensively with other carriers on a line-by-line basis on most of our lines. In particular, we face strong competition on our westbound Asia-Europe lines and on our eastbound Transpacific lines. On a line-by-line basis, we often compete with carriers that are much smaller than we are. However, smaller competitors could benefit from different advantages, such as the reliance on cooperation arrangements for sufficient slot availability, thereby avoiding the cost of owning and chartering their own vessels.

Generally, we do not have long-term or exclusive agreements with our customers and many of our customers maintain close relations with other container carriers. Thus, customers could, depending on overall supply available on the market, opt for the services of our competitors on all or some trades without facing discernible constraints. Moreover, any of our many competitors could choose to establish lines on the same routes as our established lines and attempt to undercut our freight rates on those routes. There are few, if any, competitive barriers for existing container carriers wishing to enter or expand their presence in a regional market or on a particular line. In addition, other or new market participants could be attracted by the opportunity to acquire vessels at comparatively low price levels and extend their services to additional routes operating such vessels.

While large segments of the container shipping markets remain fragmented, container shipping has gone through a phase of consolidation in recent years, either through mergers or strategic alliances. If further consolidation occurs in the container shipping industry, whether through mergers or strategic alliances, our competitors could achieve greater economies of scale as well as financial and market strength, allowing them to withstand price competition and price volatility more successfully than we can and to undercut our freight rates across, or gain increased access to, one or more of the major markets in which we operate. We may not be able to successfully withstand such competition.

The competitive environment potentially threatens the generation of revenues and could prevent us from charging freight rates that are necessary for us to be profitable. These factors could have a material adverse effect on our business, results of operations and financial condition.

Fluctuations in charter rates could adversely affect us and our financial performance.

As of September 30, 2013, we operated 430 container vessels, of which we owned 81, or 34.4% of our fleet by capacity, chartered 35, or 15.5% of our fleet by capacity, with a remaining charter duration of more than five years, chartered 36, or 10.3% of our fleet by capacity, with a remaining charter duration ranging between one and five years and chartered 278, or 39.8% of our fleet by capacity, with a remaining charter duration of less than one year.

A ship charter is the lease of a ship for a specified period of time at a fixed price, with the ship owner typically also providing the ship's crew, insurance and maintenance. We generally utilize chartered ships as a greater proportion of our total capacity than our competitors, which we believe provides us with greater flexibility in the management of our capacity, but also increases the risk to us of rising charter rates in the future. As charter rates (and short-term charter rates in particular) tend to fluctuate significantly in response to market participants' perceptions of supply and demand on the shipping markets, adding additional chartered-in capacity at market rates in times of strong demand is likely to be significantly more expensive than the cost of owned vessel capacity. Moreover, we cannot be certain that vessel charter rates, which are currently at relatively low levels, will not rise materially in the near to medium term. If charter rates increase materially, we could face higher operating costs than our competitors, many of whom own a greater percentage of their fleets than we do. In addition, we may not be able to pass on such increased operating costs to our customers, which would adversely affect our margins and results of operations. Further, large vessels are scarce in the vessel charter market. If we are unable to charter large vessels cost-effectively or at all when we need them, we could be forced to substitute smaller vessels on applicable lines and the competitiveness which would negatively affect the profitability of these lines. Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

In addition, short-term charter rates have historically tracked freight rates (which are affected by changes in the supply of, and demand for, container shipping and container vessels), but usually with a time lag of several months. These time lags occur because, at any given point in time, ship-chartering companies and carriers are bound by the terms of existing charter agreements. Therefore, a ship-chartering company cannot immediately raise its charter rates to reflect an increase in freight rates, but must wait until existing charter agreements expire. Similarly, a carrier is unable to negotiate reduced charter rates immediately in response to falling freight rates. As a result, after a decrease in freight rates, carriers like us that hold a significant proportion of their vessels under charter agreements could face a growing differential between the declining freight rates they are able to charge their customers and the fixed charter rates they are obligated to pay. This differential can be particularly pronounced after a period of high demand for charter vessels, as owners of such vessels are often able to enter into charter agreements of longer duration and higher fixed charter rates. The time lags mean that we could be unable to reduce our charter costs to compensate for declining freight rates for a period of up to several months. We have experienced this effect in past periods of rapidly falling freight rates, such as the 2008 to 2009 period. If we are again unable to reduce our charter costs as freight rates fall, our business, results of operations and financial condition could be materially and adversely affected.

There is a considerable time lag between the ordering and the delivery of new vessels, leading to a heightened sensitivity to intermittent changes in shipping market conditions.

Orders for new vessels, whether to be owned, leased or chartered, must currently be placed two to three years in advance. Because part of the orders are based on current expectations of future demand, a container shipping company is subject to the inherent risk that it will order either too much or too little vessel capacity for future demand, as well as to the related risk of misallocating capital expenditure. If we do not invest sufficiently in additional shipping capacities, we could be faced with the choice of either not being able to satisfy our customers' demand for our services (leading to lost revenues and market share and, potentially, strained customer relations or a loss of customers) or charter in additional vessels via the charter market at higher charter rates during phases of strong demand. If, on the other hand, we overinvest in additional container shipping capacity that we are not able to fully utilize during weaker market conditions, this would increase our costs relative to the development of our revenues. In the past, the shipping industry has been affected by repeated ordering of excess capacity during periods of strong demand. Either scenario could have a material adverse effect on our business, results of operations and financial condition.

Changing trading patterns, trade flows and sharpening trade imbalances could adversely impact our cost structure.

The capacity utilization of our container vessels varies depending on the dominant trade flows between different world regions. Vessel capacity utilization is generally higher when transporting cargo from net export regions to net import regions (i.e., the dominant leg). Considerable losses result from having to transport empty containers on the non-dominant leg without generating corresponding freight revenues. Furthermore, sharpening imbalances in world trade patterns (i.e., rising trade deficits of net importers vis-à-vis net export regions) could exacerbate the imbalances between the dominant and non-dominant legs of our services. There can be no assurance that we will be able to successfully manage and minimize the costs resulting from operating non-dominant leg trades. This could have a material adverse effect on our business, results of operations and financial condition.

Increases in crude oil and bunker fuel prices could significantly increase our costs of operations.

The cost of marine or bunker fuel is one of our major operating costs, representing 24.3% of our revenue in the nine months ended September 30, 2013 and 23.8% of our revenue in the year ended December 31, 2012. The price of bunker fuel is driven by crude oil prices. Crude oil prices have historically exhibited significant volatility in short periods of time and have recently been high by historical standards. Furthermore, crude oil prices are influenced by a host of economic and geopolitical factors beyond our control, such as political instability, tensions in the Middle East, global terrorism, insurrections in the Niger Delta, a long-term increase in global demand for oil and the economic development of emerging markets, China and India in particular. We only hedge ourselves against a small percentage of changes in crude oil prices, and we could be unable to pass increases in crude oil prices on to our customers. As a result, an increase in crude oil and bunker fuel prices could materially and adversely affect our business, results of operations and financial condition. For illustrative purposes and assuming no hedges and no passing on to customers, a $50 per ton average increase in the spot purchase price of bunker fuel would have reduced our operating profit in 2012 by approximately $280 million.

Political, economic, social, natural and other risks in the markets where we have operations could cause serious disruptions to our business.

We operate in many countries around the world, including emerging markets such as the Middle East, and are exposed to risks of political unrest, war, terrorism, piracy, natural disasters, widespread transmission of communicable infectious diseases as well as economic and other forms of instability, which can result in disruption to our or our customers' businesses and seizure of, or damage to, our assets or pure economic loss. These events could also cause the destruction of key equipment and infrastructure (including inland infrastructure such as railroads and highways) and the partial or complete closure of ports and sea passages, such as the Suez or

Panama canals or other important bottleneck routes, potentially resulting in higher costs, congestion of ports or sea passages, vessel delays and cancellations on some of our lines. Furthermore, political, economic or other developments could affect importers or exporters or lead to reductions in, or in the growth rate of, global trade, which could reduce demand for our vessels and services. Moreover, we are subject to the risk of unilateral governmental or quasi-governmental action and regulation in the countries in which we operate. Such risks include sanctions that prohibit trade in particular areas, restrictive actions such as vessel arrest, limitations on vessel operations or local ownership requirements, compulsory acquisition of our assets with no compensation or with compensation below market value, loss of contractual rights and requisition (i.e., situations in which a government takes control, or becomes the owner, of a ship and effectively becomes the charterer at dictated rates). Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

Our business could be adversely affected by protectionist policies and regulatory regimes adopted by countries globally.

One or more countries could, in the wake of an economic crisis or in response to real or perceived currency manipulations or trade imbalances, resort to protectionist measures or make changes to the regulatory regimes in which we operate in order to protect and preserve domestic industries. Such measures could include raising import tariffs, providing subsidies to domestic industries, restricting currency repatriation and creating other trade barriers. A global trend towards protectionism could also be harmful to the global economy in general, as protectionist measures could cause world trade to shrink. Any such protectionist policies and regulatory regimes could have a material adverse effect on our business, results of operations and financial condition.

We may not be fully protected from certain liabilities under our insurance coverage or indemnities covering liabilities and our premiums could increase in the event of war or terrorist attacks.

The operation of large oceangoing vessels and the use of the heavy equipment necessary to load and prepare those vessels for transit involve inherent risks, including those of catastrophic loss, spills, personal injury and loss of life, maritime disaster, mechanical failure, fire, collision, stranding and loss of, or damage to, cargo as well as damage to or loss of vessels. In addition to losses caused by human errors and accidents, we could also be subject to losses resulting from, among other things, war, terrorist activities, piracy, political instability, business interruption, strikes and weather events (including earthquakes, flooding and storms). Furthermore, potential risks from nuclear contamination cannot be insured by primary or re-insurers. If large numbers of containers or several of our vessels were contaminated, this could force us to replace such assets at our own costs and on short notice, prevent us from providing our services as scheduled and lead to costs for medical treatment of crew members who came in contact with contaminated materials. Any of these events could result in our experiencing direct losses and liabilities, loss of income, increased costs, reputational damage and litigation against or by third parties. Insurance policies we carry could be insufficient to cover the cost of damages suffered from any of these events and we could be unable to renew such insurance on commercially reasonable terms. Additionally, our insurers could refuse to pay particular claims if we fail to take certain actions, such as maintaining certification of our vessels with applicable regulations. We also could be responsible for liquidated damages if we do not comply with certain provisions of some of our contracts, which are not covered by our insurance policies.

Similarly, as a result of acquisitions, we could face liabilities for lawsuits, losses or damages arising from the activities of our acquired entities prior to acquisition. We typically obtain indemnities for the possible liabilities of the entities we acquire, but we cannot assure you that we will continue to obtain indemnities, or that these indemnities will be sufficient to cover all losses we could face or will be fully enforceable.

We do not inspect all our freight comprehensively to guarantee the safety and security of workers and the products being shipped. Hence, we cannot guarantee the security of our containers and related equipment from breaches in security including due to wrongly declared contents and acts of terrorism, and we cannot be certain that we will be fully insured for the losses we could suffer from such incidents. More stringent security, environmental or other regulations could also come into force, expanding the liability we face under our operations, and insurance for such additional liabilities may not be available at commercially reasonable rates, if at all. If our insurance is insufficient to cover these large claims and liabilities, our assets could be subject to attachment, seizure or other judicial processes, which could have a material adverse effect on our business, results of operations and financial condition.

Acts of piracy on oceangoing vessels, which have increased in frequency, could adversely affect our business and results of operations.

Acts of piracy have historically affected oceangoing vessels, including container ships, trading in certain regions of the world, such as the South China Sea and the Gulf of Aden off the coast of Somalia. We operate significant lines in these areas. Since 2008, the frequency of piracy incidents against commercial shipping vessels has increased significantly, particularly in the Gulf of Aden. There has also been an increase in acts of piracy in the Gulf of Guinea on the west coast of Africa. If any of our vessels are captured by pirates, we could be forced to pay significant ransoms to secure their release. Because our vessels are sometimes deployed in regions characterized by insurers as "additional premium" zones or Joint War Committee ("JWC") "war and strikes" listed areas, such as the Gulf of Aden, we pay significantly higher premiums for insurance coverage in these regions. Pirate attacks could result in additional regions in which our vessels are deployed being characterized by insurers as "additional premium" zones or JWC "war and strikes" listed areas, or coverage for our operations in existing "additional premium" zones or "war and strikes" listed areas could become significantly more expensive or difficult or impossible to obtain. In addition, crew costs and further expenditures for heightened security measures could increase in such circumstances. Acts of piracy could thus have a material adverse effect on our business, results of operations and financial condition.

Risks inherent in the operation of oceangoing vessels could affect our business and reputation.

The operation of oceangoing vessels carries inherent risks. These risks include the possibility of:

- marine disaster;
- environmental accidents, including oil and hazardous substance spills;
- grounding, fire, explosions and collisions;
- cargo and property losses or damages;
- business interruptions caused by mechanical failure, human error, war, sabotage, terrorism, political action in various countries, or adverse sea or weather conditions;
- work stoppages or other labor problems with staff serving on vessels and at ports, substantially all of whom are unionized or covered by collective bargaining agreements; and
- piracy and terrorism.

Any of the above occurrences could result in death or injury to persons, loss of property or environmental damages, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates, and damage to our reputation and customer relationships generally. The involvement of one or more of our vessels in an environmental disaster could also harm our reputation as a safe and reliable containership owner and operator. Any of these circumstances or events could have a material adverse effect on our business, results of operations and financial condition.

The smuggling of drugs, weapons or other contraband onto our vessels could lead to governmental claims against us or operational restrictions affecting our business.

We expect that our vessels will call in areas where smugglers attempt to hide drugs, weapons and other contraband on vessels, with or without the knowledge of crew members. In the past, we have discovered misdeclared cargo, including such contraband, and cooperated with governmental or regulatory authorities as appropriate. For example, between 2009 and 2011, shipments of weapons have been discovered in containers on our vessels. In each case, the cargo, which originated from or was directed to Iran, had been misdeclared. These incidents created adverse publicity and triggered demands by U.S. politicians for an investigation against us. In the summer of 2011, we decided to no longer accept Iranian export cargo, to scan all containers bound for Iran and implemented a specific Iran compliance desk at our headquarters. Since April 2013, we no longer accept cargo bound for Iran. To the extent our vessels are found with contraband, whether with or without the knowledge of any of our crew members, we could face governmental or other regulatory claims or operational restrictions which could have a material adverse effect on our business, results of operations and financial condition. Our reputation could also be damaged if allegations of illegal behavior are made against us.

We are exposed to risks in relation to compliance with anti-corruption laws and regulations.

Our business entails numerous interactions with government authorities, including port authorities, health, safety, and environment authorities, labor and tax authorities and customs and immigration authorities. Furthermore, at our charterer's direction, our vessels call at ports throughout the world, including in some countries where corruption is endemic. Although we have strict procedures prohibiting our employees or persons associated with us from making unlawful payments to government officials, we cannot guarantee that such payments may not be made despite our procedures and without our approval. In such case, such payments may be deemed to have violated anti-corruption laws potentially applicable to us, exposing us to civil and criminal penalties as well as reputational damage that could have a material adverse effect on our business, results of operation and financial condition.

More thorough monitoring and inspection procedures aimed at preventing terrorist attacks could have a material adverse effect on our business, results of operations and financial condition.

The international container shipping industry is subject to various security and customs monitoring and inspection procedures in countries of origin and destination, as well as at transshipment ports. Such procedures can result in the confiscation of containers or their contents, delays in the loading, offloading, handling or delivery of containers and the levying of customs duties, fines or other penalties against exporters, importers and, in some cases, carriers.

In the United States, we face significant security requirements, such as the "Advance Manifest Rule," which mandates expanded disclosure regarding a ship's cargo at least 24 hours prior to loading at the foreign port of loading. We have adopted tariff rules apportioning liability to customers that fail to provide timely information and impose surcharges on cargo traveling to or through the United States to reflect the increased cost of compliance under this regulation. The current U.S. regulation could be expanded, and similar or more intrusive and costly monitoring and inspection rules could be put in place by the United States or other countries in which we operate. In any such case, we could experience disruptions to our business and could be unable to impose further surcharges or otherwise recover from our customers the increased costs incurred due to such measures, which could materially and adversely affect our business, results of operations and financial condition.

In response to the perceived risks to ships from terrorism, the International Maritime Organization ("IMO") developed the International Ship and Port Facility Security Code ("ISPS Code"), which came into force on July 1, 2004. Compliance with the ISPS Code entailed ship modifications, staff training, auditing of vessels and preparation of ship security plans followed by approval of the documentation by the relevant flag state. In the United States, the U.S. Coast Guard has published similar regulations requiring shipping companies to adopt vessel security plans and to establish port security plans. All our ships and all the ships we operate on long-term charters and operating leases are fully compliant. The vessels we operate on short-term charters comply with the regulations to which they are subject. Because we also transport cargo on vessels that we do not operate ourselves (through cooperation agreements) and through ports over which we exercise little or no influence, we could be exposed to increased costs and business disruptions under the ISPS Code or U.S. Coast Guard regulations if another container shipping company, or port operator, or any other entity covered by the regulations with which we conduct business, fails to comply with the ISPS Code or U.S. Coast Guard regulations. The vessels of other container lines on which we use capacity could not comply, or could not remain in compliance with, the ISPS Code or U.S. Coast Guard regulations. If these, or any similar risks, materialize, our costs could increase, which could have a material adverse effect on our business, results of operations and financial condition.

In addition, since 2002, we have participated in the "C-TPAT" (U.S. Customs-Trade Partnership against Terrorism) initiative, a voluntary agreement between U.S. Customs and the industry. The purpose of C-TPAT is to partner with the trade community for the purpose of protecting the U.S. and international supply chains against possible intrusion by terrorist organizations. C-TPAT requires us to document and validate our supply chain security procedures in relation to existing U.S. Customs and Border Protection ("CBP") C-TPAT criteria or guidelines as applicable. CBP requires that C-TPAT company participants develop an internal validation process to ensure the existence of security measures documented in their Supply Chain Security Profile and in any supplemental information provided to CBP. As a part of the C-TPAT process, CBP and the C-TPAT participant jointly conduct a validation of the company's supply chain security procedures, and the participant is issued a certificate of compliance. Should we fail to maintain the certificate, it could mean a higher administrative burden through heightened security screenings and the loss of customers who are increasingly requesting such certificate from their carriers. This could have a material adverse effect on our business, results of operations and financial condition.

Failure to comply with competition laws to which we are subject could lead to the imposition of fines and constraints on our business practices.

The European Union prohibits agreements or arrangements between carriers that restrict competition, including conferences providing common tariffs since 2008. Shipping companies' consortia are considered not to restrict competition, as long as they are limited to operational cooperation and remain subject to effective competition.

Outside the European Union, we are a member of several conferences and voluntary (rate) discussion agreements ("VDAs"). Should other regions follow the EU example in banning such conferences and VDAs, this could impact the shipping business in general and could have a material adverse effect on our business, results of operations and financial condition.

Shipping companies could face fines, ordered remedies and damages claims if they fail to comply with the regulatory regime. In the event that we are found not to be in compliance with the regulatory regime and sanctions are imposed on us, this could have a material adverse effect on our business, results of operations and financial condition. Our reputation could also be damaged if allegations of illegal behavior are made against us.

In May 2011, the European Commission carried out unannounced inspections at the premises of various carriers, including ours, in order to investigate a possible collusion among carriers on prices and capacities. In a decision dated November 21, 2013, the European Commission initiated antitrust proceedings against a large number of carriers, including us. The proceedings aim to determine whether carriers' publicized price increase announcements (through press releases on their websites and in the specialized trade press), by signaling future prices to each other, constitute an anticompetitive practice. While the opening of proceedings does not prejudge the outcome of the investigation, to the extent these proceedings were to result in findings that we violated applicable antitrust laws, such findings may result in commitments offered by the parties that are made legally binding, or in fines being imposed individually on carriers, which fines could be significant, possibly along with ordered remedies. Such commitments or ordered remedies could include the cessation of publicized price increase announcements. If these or other investigations were to result in findings that we violated applicable antitrust laws, this could lead to customer claims for damages against us. Any such development could have a material adverse effect on our business, results of operations and financial condition.

Changes to the liability regime for the international maritime carriage of goods could adversely affect our business.

In addition to the respective national laws, there are various international treaties in place that deal with maritime liability issues, such as the Hague Rules of 1924 (the "Hague Rules"), the Hague-Visby Rules of 1968 (the "Hague-Visby Rules"), and the Hamburg Rules of 1980. In particular, the Hague Rules and the Hague-Visby Rules are of great importance to the maritime liability regime, and either one or both have been ratified by most countries that have a relevant shipping industry. Some countries have implemented the Hague Rules and the Hague-Visby Rules into national law and in other countries the treaties are applicable directly without transition into national laws.

In December 2008, the United Nations Commission on International Trade Law adopted a new convention on cargo liability, the Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea (the "Rotterdam Rules"). The Rotterdam Rules establish a new legal regime for the international maritime carriage of goods. The goal of the Rotterdam Rules is to bring increased clarity regarding who is responsible and liable for what, when, where and to what extent when it comes to transport by sea and land and to make national codes, such as the U.S. and Australian Carriage of Goods Acts, redundant. The Rotterdam Rules will not come into force until one year after ratification by 20 countries. At present, there are 25 signatories, with two states having ratified the Rotterdam Rules. When, or if, the Rotterdam Rules come into effect, we could face increased liability under the new regime, including the increase of liability limits, liability for delay and liability in the case of errors in navigation, which could have a material adverse effect on our insurance program and, in turn, on our business, results of operations and financial condition.

We could face substantial liability if we fail to comply with existing laws and regulations, including in respect of the environment, and we could be adversely affected by changes in those laws and regulations.

As a container carrier, we are subject to a wide variety of international, national and local laws, regulations and agreements relating to shipping operations. See "*Regulatory Matters*." Such laws, regulations and agreements could change materially, including without, or with limited, notice. In particular, additional requirements to obtain permits or authorizations could come into force which could impose significant new burdens upon our business, require us to change our business strategy significantly and impact our cost structure. We could face substantial liability for penalties, fines, damages and litigation if we fail to comply with such laws, regulations and agreements.

The IMO has adopted Annex VI ("Annex VI") to the International Convention for the Prevention of Pollution from Ships ("MARPOL") to address air pollution from ships, which came into effect on January 1, 2013. Annex VI, as amended, sets limits on sulfur oxide (which will become progressively stricter until January 2020) and nitrogen oxide emissions from all commercial vessel exhausts and prohibits deliberate emissions of ozone-depleting substances (such as halons and chlorofluorocarbons), emissions of volatile organic compounds from cargo tanks, and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur oxide content of bunker fuel.

Annex VI, as amended, also allows for special "Emission Control Areas" ("ECA") to be established with more stringent controls on sulfur oxide, nitrogen oxide and particulate matter emissions (e.g., under Annex VI, as amended, the North Sea (including the English Channel) and Baltic Sea SOx limit in fuel is 1% since July 1, 2010 and will be 0.1% starting on January 1, 2015). Currently, certain areas along our trade lanes are designated as ECAs under the Annex VI amendments. If other ECAs are approved by the IMO or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations, in particular by requiring us to use higher-quality (and more expensive) bunker fuel. For example, the IMO recently designated a North American ECA, which became effective on August 1, 2012, extending 200 miles from the territorial sea baseline adjacent to the Atlantic/Gulf and the Pacific coasts and the Hawaiian Islands. The U.S. Caribbean Sea ECA becomes effective January 1, 2014, and similar 200 square mile-ECAs are proposed for the Mediterranean, Singapore and Australia.

In 2011, the IMO adopted further mandatory technical and operational energy efficiency measures such as the Energy Efficiency Design Index ("EEDI") and the Ship Energy Efficiency Management Plan ("SEEMP"), which went into effect on January 1, 2013. The IMO is evaluating mandatory measures to reduce greenhouse gas emissions from international shipping, which could include market-based instruments or a carbon tax. In 2012, the European Commission adopted Directive 2012/33/EU, which sets similar requirements as Annex VI. In the United States, the Environmental Protection Agency ("EPA") has issued a finding that greenhouse gases threaten public health and safety; however, to date, the greenhouse gas regulations proposed or enacted by the EPA have not involved oceangoing vessels.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol that restricts emissions of greenhouse gases could also require us to make significant financial expenditures that we cannot predict with certainty at this time. Furthermore, we could incur substantial costs in order to comply with existing and future environmental, health, security and safety and other regulatory requirements, including, among others, obligations relating to spills and discharges of oil or other hazardous substances, ballast water management, dismantling of ships, transportation of dangerous goods, maintenance and inspection, development and implementation of emergency procedures, and security and insurance coverage.

Under environmental laws and regulations, we could also face substantial liability for penalties, fines, damages and remediation costs associated with oil and other hazardous substance spills or other discharges involving our shipping operations. Changes in enforcement policies for existing requirements and additional laws and regulations adopted in the future could limit our ability to do business or further increase our operating costs. In addition, in the future, we could have to alter existing equipment, add new equipment to, or change operating procedures for, our vessels to comply with any changes in governmental regulations, safety or other equipment standards or to meet our customers' changing needs in this respect. Finally, even if we comply with relevant health, safety, security and other regulations, the ordinary course of our business involves certain inherent risks to the health, safety and security of our employees and others, and we could incur substantial liability in the event of accidents, environmental contamination, exposure to hazardous substances or other events resulting in their injury or death, even if such an event is not a result of any fault on our part.

Any of the foregoing factors or events could have a material adverse effect on our business, results of operations and financial condition.

Compliance with the requirements imposed on our vessels by classification societies could be very costly.

Every vessel must be certified as "in class" by a classification society that has been approved by the vessel's flag state. Classification societies certify that a vessel complies with the rules of the classification society, international conventions and the applicable laws and regulations of the flag state.

All our vessels currently have the required certifications. In order to maintain certification, however, our vessels must undergo annual, intermediate and class-renewal surveys every five years or every seven and a half years for our newest ships. Maintaining class certification could require us to incur substantial costs. If any of our vessels fails to maintain the required class certification, we would not be able to deploy that vessel, we could be in violation of covenants in certain of our financing agreements (such as vessel mortgages and related security documents) and costs to obtain insurance for our vessels would increase. This could have a material adverse effect on our business, results of operations and financial condition.

Our success depends to a large extent on IT systems, and these systems may not continue to generate operational efficiencies.

Our ability to quickly and correctly obtain, process and transmit data related to transport volumes, freight rates, transport costs, container locations and vessel schedules is critical to the effective management of our container capacity, our vessel fleet, the handling of empty containers in order to manage and minimize imbalance costs and the provision of high-end customer service. In this context, we rely to a large extent on our IT systems. We expect to continue to commit significant financial resources, time, management expertise, technological know-how and other resources to the maintenance and further modification and enhancement of our IT systems. However, there is no guarantee that our IT systems in their present format or any improvements and new developments thereto will yield the desired results and there can be no certainty that costs incurred in this respect will pay off in the form of improved operational efficiency. If we are not successful in achieving additional operational efficiencies through maintaining, improving and continuing to develop our IT systems, our operational efficiency and cost structure relative to our competitors could deteriorate. Also, our competitors could at any time develop similar or better systems than ours, thus reducing, neutralizing or reversing any competitive advantage that we may currently benefit from. As a result our operational efficiency and cost structure relative to our competitors could deteriorate.

We have to date contracted with one or more providers of IT services to maintain our IT systems. We recently entered into an agreement with SAP for the development of a new IT system that would entirely replace our existing systems. The implementation of this new system, which is expected to commence in 2015 and be fully deployed in 2017, will entail substantial capital expenditure and may not be completed on schedule, on budget and with the anticipated efficiency gains and cost reductions. No assurance can be given as to the absence of disruptions in our IT systems as we transition toward this new system or more generally. Any disruption to our IT systems could materially impact our relationships with customers, our reputation and our operating costs and margins.

Furthermore, although our IT systems and the relevant backup systems have an identical set-up and are located in separate data center locations, there can be no assurance that both data centers and their systems will not be simultaneously damaged or destroyed in the event of a major disaster. Both the main IT systems as well as relevant backup systems could be vulnerable to damages or interruptions in operation due to fire, power loss, telecommunications systems failures, physical break-ins, hacker break-ins, a significant breakdown in internal controls, fraudulent activities by employees, failure of security and terrorism measures or backup systems, or other events beyond our control.

Any such failure in or shortcoming of or in connection with our IT systems could have a material adverse effect on our business, results of operations and financial condition.

There are risks in connection with our cooperation agreements.

We enter into cooperation agreements with other major carriers, which enable us to provide our customers with a range, geographic scope and departure frequencies that would not be possible solely with our own container vessel fleet. The terms and conditions of these cooperation agreements may not receive regulatory approval, could change or could be terminated altogether. If this were to happen, we would lose the advantages conferred by the cooperation agreements and thus would face a material adverse effect on the flexibility, scope and depth of our service offering and our ability to optimize freight schedules and capacities. Should such a scenario materialize, we could seek to enter into other cooperation agreements, but we may not be successful in doing so on similar terms or at all.

We recently announced the creation of a global alliance with Maersk and MSC on east-west worldwide trades for 2014, called the P3 alliance. The P3 alliance is expected to operate 264 vessels on 28 loops on the three main worldwide trade lanes, i.e., Asia-Europe, Transpacific and Transatlantic, for a total capacity of 2.6 million TEU. Implementation of the P3 alliance is subject to approvals or no objections of relevant regulatory authorities, including the European Commission, the U.S. Federal Maritime Commission, the Chinese Ministry of Commerce and the Chinese Ministry of Transport. Our participation in the P3 alliance should offer an opportunity to lower our cost base by improving slot utilization, expanding our use of slow steaming and expanding our service without making additional investments in vessels. On the other hand, the reaction of our customers is untested and some customers may decide to allocate certain volumes to competing carriers instead. Failure of the P3 alliance to secure regulatory approval, the conditioning of such approval on material limitations of its business or operations or an adverse customer reaction could therefore have a material adverse effect on our business prospects, financial condition and results of operations.

Labor disturbances could disrupt our business.

As of September 30, 2013, we employed approximately 16,000 employees globally, including approximately 4,350 in France. Labor in the container shipping industry in most of the jurisdictions in which we operate, and in France in particular, is organized for collective bargaining by maritime trade unions. Future industrial action, or the threat of future industrial action, by labor unions in response to any future efforts by our management to reduce labor costs, restrain wage increases or modify work practices could constrain our ability to carry out any such efforts. Our operations also depend on stevedores and other workers employed by third parties at the ports at which our ships call. Industrial action or other labor unrest with respect to outside labor providers could prevent us from carrying out our operations according to our plans or needs. Any such unrest could materially and adversely affect our business, results of operations and financial condition.

Maritime claimants could arrest our vessels, which could lead to an interruption of our business or require us to pay large sums of funds to have the arrest lifted.

Crew members, suppliers of goods and services to a vessel, shippers of cargo, vessel financing participants and other parties could be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder could enforce its lien by arresting a vessel through foreclosure proceedings. In some jurisdictions, the sister vessel of the vessel for which services have been provided could also be arrested. The arrest or attachment of one or more of our vessels could interrupt our business or require us to pay large sums of money to have the arrest lifted, which could have a material adverse effect on our business, results of operations and financial condition.

If we are unable to continue participating in the tonnage tax regime, our tax expense could increase significantly and our financial condition, including after-tax profits, could suffer.

We currently benefit from a low tax rate due to our participation in the so-called “tonnage tax regime” in France (see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Explanation of Key IFRS Income Statement Line Items—Operating Expenses—Income Tax*”). Any inability on our part to continue to participate in the tonnage tax regime totally or partially could increase our tax expense, particularly in years where we are more profitable and, as such, could have a material adverse effect on our business, results of operations and financial condition.

Container ship capacities have increased in recent years, leading to overload and congestion in certain ports.

In recent years, container ship capacities have increased globally at a faster rate than the rate at which some container ports have increased their capacities. These factors have led to considerable delays in the processing of container shipments in affected ports, many of which (such as in the United States) cannot accommodate larger ships. As a result of longer load and unload times, increases in container ship capacities could lead to further port congestion, which could have a material adverse effect on container shipping traffic on affected services. Decisions on port expansions are made by national or local governments and are outside our control, determination or influence. Such decisions are made on the basis of local policies and concerns. In addition, as industry capacity and demand for container shipping continue to grow, we could encounter difficulties in securing sufficient terminal slots to expand our operations according to our growth strategy, due to the limited availability of port facilities. While we seek to continue to secure port access by directly investing in port terminals where we have significant operations, we could face political and administrative challenges in doing so, as ports are generally considered strategic assets. We cannot assure you that our effort to secure port access by investing in port facilities or otherwise will be successful. Port overload and congestion and otherwise insufficient or delayed access to ports could have a material adverse effect on our business, results of operations and financial condition.

We have breached our financial covenants on two occasions in the recent past and, even though our financial covenants have been modified and adapted, no assurance can be given that we will not find ourselves again in breach of them.

We have breached covenants in our financing agreements on two recent occasions. In 2010, we suspended making principal payments under some of our bank debt and asset financing arrangements but continued to make interest payments thereunder and under our outstanding senior notes. In 2011, we obtained a waiver of certain financial covenants in our bank debt and asset financing arrangements. We have since entered into a new agreement with lenders on a modified package of covenants. These covenants include minimum cash requirements, a maximum gearing ratio and restrictions on additional long term chartering and capital expenditures. There can be no assurance that we will not breach these modified covenants. If we were to breach our covenants and all or some of our lenders were unwilling or unable to renegotiate the terms of our financing, this could result in an acceleration of some or all of our financing arrangements, which could have a material adverse effect on our business, results of operations and financial condition.

We operate in a capital-intensive industry and our future sources of financing are not necessarily secured.

We operate in a capital-intensive industry and thus have substantial capital needs in order to be able to cover our obligations in connection with our organic growth strategy, including acquiring, leasing, chartering and maintaining container vessels and containers. We incurred capital expenditures of $460.4 million in the nine months ended September 30, 2013. We have financed these capital expenditures through a combination of cash flow and debt financing. It is not certain that we will in the future generate enough free cash flow to enable us to cover all our financing needs without resorting to further debt financing. Moreover, it may not be possible, irrespective of the general level of interest rates, to obtain debt financing, to meet the conditions precedent of committed financing or it could only be possible to do so with difficulty, with delay or on unfavorable commercial terms.

Any delays in securing financing or securing financing on favorable terms and a resulting inability to pursue our growth strategy or inability to acquire, order, lease and charter container vessels could have a material adverse effect on our business, results of operations and financial condition.

A proposed change in accounting standards could increase the amount of debt on our balance sheet.

International accounting standard-setting organizations have proposed to eliminate allowing operating leases not to be recorded on the balance sheet. The proposals remain under discussion and it is currently considered unlikely that they would be implemented before 2017. If the proposals are adopted as currently proposed, they would have the effect of bringing most off-balance sheet operating leases, including time charters, onto a lessee's balance sheet as liabilities. This would significantly increase our debt level and our gearing ratio.

Our future success depends on our ability to achieve and manage growth.

We plan to continue to grow by increasing the frequency of the container shipping services that we offer on existing lines, expanding into new lines and new geographic regions and expanding our business into related markets and services. We plan to achieve this growth internally, as well as through selective acquisitions. We may not, however, be able to manage our growth successfully.

Acquisitions entail numerous risks, including failure to successfully integrate operations, personnel, services or products, failure to successfully integrate financial and control systems and management of the acquired companies, potential loss of customers or key employees of acquired companies, diversion of management's attention from other business concerns, assumption of unknown material liabilities and failure to achieve financial or operating objections.

If our operations continue to grow, we could need to increase the number of our employees and the scope of our operational and financial systems to handle the increased complexity and expanded geographic area of our operations. We may not be able to retain and attract qualified management and employees, or ensure that our current operational and financial systems and controls will be adequate if we grow.

Further, if we continue to increase the size of our fleet in order to expand into new lines and geographic regions, we could encounter difficulties in obtaining new vessels, which could delay our plans. There can be no assurance that we will be able to obtain vessels on a timely basis to take advantage of opportunities we identify in the market.

A significant portion of our recent internal growth has come from our operations in Asia, and, in particular, China. As manufacturing operations continue to move from OECD countries to this region, there has been a significant growth in demand for the shipment of manufactured products from this area to North America, Europe and Japan. We have been expanding our operations to capture this growth in demand by establishing our own agencies and adding new lines in this region. We cannot, however, assure you that the trend will continue in the future, or, if it does, that we will be able to capitalize on growth opportunities in the region.

As part of our growth strategy, we have also undertaken and intend to continue to undertake new initiatives such as our Greenmodal network, covering rail and barge solutions throughout Europe, and our CMA CGM Logistics businesses, which expand the range of services we provide for our customers in the ports where we unload cargo, by providing more value-added services, such as logistics and inter-modal container transportation services. These initiatives involve investment risk, as well as new management challenges, as we have limited experience in these areas. We cannot assure you that we will be able to meet these management challenges successfully going forward. Further, a growing number of our competitors have also started to offer these value-added services, as customers increasingly prefer to ship with full logistics solution providers. If our efforts to build these services are not successful or our services are not able to compete effectively, we could lose our customers to our competitors.

We also invest in terminal facilities in ports where we have significant operations. We typically invest through joint venture arrangements with partners that have experience in operating port facilities and that contribute the necessary equipment. These investments involve risks in successfully integrating such joint ventures into our business. We cannot assure you that we, or our partners in these joint ventures, will be able to successfully meet these challenges going forward.

If we fail to manage our growth effectively, this could have a material adverse effect on our business, results of operations and financial condition.

We could be unable to continue reducing costs and may not remain more profitable than other players in the industry.

We are focused on improving our financial performance and increasing the resilience of our business to cyclical downturns by lowering our cost base. We have implemented and continue to implement a broad range of cost reduction and efficiency measures across our organization, in particular to reduce bunker fuel consumption. We could, however, be unable to further reduce costs. Moreover, should volumes or freight rates decline, leading to lower revenues, we could be unable to further reduce costs to offset such a decline. Our inability to reduce costs further could therefore have a material adverse effect on our business, results of operations and financial condition.

Attempts to increase freight rates may not succeed.

We have periodically announced freight rate increases in recent periods. Some of these have been successful in that they have been accepted by customers and have led to temporary increases in market freight rates; others have failed in this respect. No assurance can be given that future attempts to increase freight rates will succeed, particularly in a context of generally prevailing overcapacity. Failure to effect freight rate increases could have a material adverse effect on our revenue, business, results of operations and financial condition.

We could be unable to retain existing customers, most of whom do not have contracts, and could be unable to attract new customers.

We do not have contracts with most of our customers. Therefore, we cannot be certain that our customers will continue to use our services in the future. In addition, some of the contracts we have with customers are longer-term in nature and, if freight rates should rise or our operating costs increase, we may not be able to make the necessary adjustments to the contractually agreed rates to capitalize on such increased freight rates or address such increased operating costs until the existing contracts expire. Once our existing customer contracts expire, there is no assurance that our customers will renew the contracts on similar terms or that suitable replacements will be found. Any negative impact would be magnified if we lost any of our top 20 customers, which together accounted for 15.7% of our revenue for the ten months ended October 31, 2013. Furthermore, if we lose a major customer, we may not be able to reduce our fixed costs accordingly. Such developments could have a material adverse effect on our business, results of operations and financial condition.

Fluctuations in currency exchange rates and interest rates could have an adverse effect on our results of operations.

We are exposed to several types of foreign currency exchange risk. We face transaction risk, because the currency mix of our revenue is different from that of our operating expenses. While most of our revenues are generated in U.S. dollars, we incur a higher proportion of our expenses in euros than the proportion of our revenues that is generated in euros. We are also exposed to risks related to the translation of assets and liabilities denominated in currencies other than U.S. dollars (our functional currency) as a substantial portion of our financing is denominated in euros. Our current policy is not to hedge our foreign currency exchange exposure. While we seek to pass on to our customers currency surcharges in times of volatility in foreign exchange rates, no assurance can be given that we will be able to continue to do so. Should we be unable to pass on the cost of our foreign currency exchange exposure to our customers, this could have a material adverse effect on our business, results of operations and financial condition.

We are also exposed to fluctuations in interest rates, a part of our financial indebtedness is issued at variable rates. As of December 31, 2012, 39.0% and as of September 30, 2013, 41.0% of our indebtedness was issued at variable rates. We hedge this risk through interest rate swaps agreements, and expect to continue to do so. Should we be unable to mitigate our interest rate risk through our hedging positions, however, this could have a material adverse effect on our business, results of operations and financial condition.

The hedging derivative instruments we employ involve risks and may not be successful.

As of September 30, 2013, we had hedged 27.3 % of our interest rate exposure and none of our fuel cost exposure using swap contracts and other "over-the-counter" derivative instruments. When we use these instruments, we are subject to credit risk, as the counterparties to our hedging transactions could default on an obligation. In addition, we potentially forgo the benefits of otherwise positive variable interest rate movements and favorable movements in the price of fuel. There can be no assurance that we will continue to be able to enter into such agreements on commercially reasonable terms, or that our hedging strategy will be successful in the future. Moreover, as certain of our financial derivative instruments are accounted for at fair value, with changes in the fair value being recognized in the profit or loss statement, our statement of income could be significantly exposed to changes in the fair value of these instruments. Furthermore, certain of our derivatives are subject to a margin call mechanism that could adversely affect our liquidity. These factors could have a material and adverse effect on our business, results of operations and financial condition.

We are controlled by Jacques R. Saadé and the members of his immediate family, and their interests or the interests of our board of directors could conflict with yours.

Jacques R. Saadé and the members of his immediate family directly and indirectly own approximately 99% of our outstanding share capital (before the dilutive effect of the ORA held by Yildirim and FSI), and, except for the veto rights described below, they have complete control over our management and strategic direction, as well as other decisions that affect our results of operations and financial condition. If the interests of the Saadé family conflict with your interests, you could be disadvantaged. Additionally, the Saadé family could exercise control over our pursuit of acquisitions, divestitures, financings or other transactions.

In addition, in connection with the Yildirim and FSI subscription to ORA, Yildirim and FSI were granted board seats and veto rights over certain transactions. Assuming full conversion of the ORA, Yildirim and FSI are expected to hold 24.0% and 6.0% (in each case on a fully-diluted basis) of our shares as of December 31, 2015 and 2020, respectively. See "*Principal Shareholders*." Under certain shareholders' agreements, Yildirim and FSI are each currently in a position to prevent certain transactions and more generally to exercise influence over our strategy and business. Yildirim's and FSI's interests could conflict with the interests of the Saadé family or your interests.

The loss of the services of key members of our management, including Jacques R. Saadé, as well as difficulties in recruiting and retaining qualified personnel, could adversely affect our business.

We rely on, and expect to continue to rely on, Jacques R. Saadé, Chairman and General Manager, Farid T. Salem, Deputy General Manager and Director, Rodolphe Saadé, Deputy General Manager and Director, and

Michel Sirat, Chief Financial Officer, as well as other key employees, to successfully carry out our business strategy and operations. Our ability to compete successfully and to implement our business strategy depends in part on our senior management team. We are also dependent on qualified personnel in order to execute our day-to-day business operations, including highly skilled employees such as nautical and engineer officers. These highly-skilled employees are scarce, and the employment market for such personnel is very competitive. The loss of the services of any of these individuals for any significant period of time or our inability to attract and retain qualified personnel could have a material adverse effect on our business, results of operations and financial condition.

Difficulty in succession could disrupt our operations.

Jacques R. Saadé, Chairman and General Manager, the founder and the indirect controlling shareholder of the Company, has announced that his son, Rodolphe Saadé, will succeed to the position of Chairman and General Manager upon Mr. Saadé's retirement. No date has been set for this succession as Jacques R. Saadé has no intention of retiring in the near future. We cannot assure you that such transition will not affect our capacity to manage our business, which in turn could have a material adverse effect on our business, results of operations and financial condition.

Delays in deliveries of our new-built vessels, or our decision to cancel, or our inability to otherwise complete the acquisitions of any new-built vessels we could decide to acquire in the future, could harm our business, financial condition or results of operations.

Our new-built vessels, as well as any new-built vessels we may contract to acquire or order in the future, could be delayed, not completed or canceled, which would delay or eliminate our expected receipt of revenues from the operation of such vessels. The shipbuilder or third-party seller could fail to deliver the new-built vessels or any other vessels we acquire or order, or we could cancel a purchase or a contract for new-built vessels because the shipbuilder has not met its obligations or due to our inability to finance the purchase of the vessel. Our receipt of new-built vessels could be delayed, canceled or otherwise not completed because of, among other things, quality or engineering problems or failure to deliver the vessel in accordance with the vessel specifications, changes in governmental regulations or maritime self-regulatory organization standards, work stoppages or other labor disturbances at the shipyard, bankruptcy or other financial or liquidity problems of the shipbuilder, a backlog of orders at the shipyard, political or economic disturbances in the country or region where the vessel is being built, weather interference or catastrophic events, shortages of or delays in the receipt of necessary construction materials, such as steel, and our inability to finance the purchase of the vessel.

Our decision to cancel a new-built vessels order, due to commercial or financial reasons, exposes us to the risk of commercial dispute or litigation. For example, the cancellation of orders made during the 2009 market downturn has led to losses in respect of prior payments and to ongoing disputes with shipyards and ship-owners.

In addition, the ordering of new-built vessels is associated with the risk of default of the shipyard in question and of the shipyard's inability to perform the contracted works and services, in particular due to insolvency. In such cases, despite appropriate precautions (for example, the use of advance payment guarantees and insurance policies covering the amounts prepaid in the event of non-performance), the possibility of a partial or complete loss of the amounts of any prepayments cannot be excluded. As a general matter, a loss of prepayments could also occur in connection with the purchase of used vessels if the seller loses its commercial ability to perform the agreements and falls insolvent. If a loss of prepayment were to occur, this could have a material adverse effect on our business, results of operations and financial condition.

We could also incur financial losses when acquiring used or new vessels when our contract parties are not in a position to deliver the vessels at all, or are only able to deliver them after a period of delay. Furthermore, vessels delivered to us may not be fit for service or could be fit for service only to a limited degree due to defects or after significant, costly repair work. The realization of any such risk could have a material adverse effect on our business, results of operations and financial condition.

The market value of our vessels could fluctuate significantly, and we could incur losses when we sell vessels following a decline in their market value.

The fair market value of our vessels increases or decreases depending on a number of factors, including general economic and market conditions affecting the shipping industry, competition from other shipping companies, supply and demand for container ships and the types and sizes of container ships we own, alternative modes of transportation, cost of new-built vessels, governmental or other regulations, prevailing level of charter rates and technological advances.

If the fair market value of our vessels declines below their carrying values and such decline is other than temporary, we could be required to take an impairment charge, could incur losses if we were to sell one or more of our vessels at such time or could breach loan-to-value covenants in our financing arrangements, all of which could have a material and adverse effect on our business, results of operations and financial condition.

Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions.

Our international operations could expose us to trade and economic sanctions or other restrictions imposed by the United States or other governments or organizations, including the United Nations, the European Union and their member countries. In particular, the U.S. Office of Foreign Assets Control, or "OFAC," has issued regulations requiring that we refrain from doing business, or allowing our clients to do business through us, in certain countries or with certain organizations or individuals on a list maintained by the U.S. government. Under economic and trading sanctions laws, governments could seek to impose modifications to business practices, and modifications to compliance programs, which could increase compliance costs, and could subject us to fines, penalties and other sanctions if we are not able to effectively prevent future violations. For example, in 2011, we paid a fine to settle allegations by OFAC that we facilitated the export of goods to Sudan and accepted payments for shipping services rendered in connection with shipments to Cuba, Iran and Sudan. While we have implemented compliance programs to avoid any violations of trade and economic sanctions and other restrictions, given the scope and nature of our international operations, we may not be able to effectively prevent future violations of such sanctions and restrictions.

We are monitoring developments in the United Sates, the European Union and other jurisdictions that maintain sanctions programs, including developments in the implementation and enforcement of such sanctions programs. Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries subject to sanctions), or modifications in how existing sanctions are interpreted or enforced, could prevent our vessels from calling on ports in sanctioned countries or could limit their cargoes. If any of the risks described above materializes, this could have a material adverse effect on our business, results of operations and financial condition.

We rely on third-party contractors to provide various services and unsatisfactory or faulty performance of a contractor could have a material adverse effect on our business.

We engage third-party contractors to provide various services in connection with our container shipping business. An important example is our chartering of vessels from ship owners, whereby the relevant ship owner is obligated to provide the vessel's crew, insurance and maintenance along with the vessel. In addition, we engage third-party contractors in providing our value-added services to customers. There can be no assurance that the services rendered by such third-party contractors will be satisfactory and match the required quality levels. Furthermore, there is a risk that major contractors could experience financial or other difficulties that could affect their ability to carry out their contractual obligations, thus delaying or preventing the completion of projects or the rendering of services. Such problems with third-party contractors could have a material adverse effect on our business, results of operations and financial condition.

If we were to experience difficulties in hiring and retaining crews for our vessels, our business, results of operations and financial condition could be adversely affected.

The continued success of our business is dependent on our ability to hire and retain crews for our vessels. At times, it can be difficult to obtain qualified crew members. There is a small pool of qualified professionals available to crew vessels and we are highly dependent on in-house training and promotion. Although our supply of labor is currently sufficient, in the future our ability to expand our business or take on new contracts could be limited by a lack of suitable crew. This could have a material adverse effect on our business, results of operations and financial condition.

Our operations are subject to the risks of litigation.

We are involved on an ongoing basis in litigation arising in the ordinary course of business or otherwise. See "*Business—Legal Proceedings and Investigations*" for a summary of the principal pending matters. Litigation could include claims related to commercial, labor, employment, antitrust, securities, tax or environmental matters or other government actions. We could also incur costs relating to existing and possibly additional claims for exposure to asbestos from former seastaff, as vessels built in the 1970s and 1980s used this material in the construction process. Moreover, the process of litigating cases, even if we are successful, could be costly, and could approximate or exceed the cost of damages sought. These actions could also expose us to adverse publicity, which could adversely affect our brand and reputation. Litigation trends and expenses, as well as the outcome of any litigation proceedings, cannot be predicted with certainty and adverse litigation trends, expenses and outcomes could have a material adverse effect on our business, results of operations and financial condition.

A downgrade in our corporate credit rating by a rating agency could damage our reputation and lead to an increase in our refinancing costs and preclude our access to certain financing markets and products, thereby impairing our liquidity and profitability.

A corporate credit rating is not a recommendation to buy, sell or hold securities and is subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a corporate credit rating will remain constant for any given period of time or that a corporate credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. Future downgrades in or a loss of our corporate credit rating could lead to an increase in the interests payable under some of our existing credit facilities, impair our ability to obtain additional financing or refinancing on economically acceptable terms, or obtain such financing or refinancing at all, and damage our reputation. Furthermore, a downgrade or loss of our corporate credit rating could preclude us from accessing certain financial markets and products and thereby impair our liquidity. This could have a material adverse effect on our business, results of operations and financial condition.

Our primary current source of ship financing may not remain available at favorable conditions or at all and we may therefore need to revert to more expensive and cash consuming means to finance our ships.

Our current orderbook includes a number of ships to be built under a relatively new financing structure whereby the shipyard (or its lenders) finances most of the construction cost of the ship while we only pay a small percentage (typically 5 to 7%) of the construction cost upfront and enter into a long-term (typically 10-12 year) fixed-rate charter agreement with the shipyard with an option to purchase the ship at the end of the charter term. This financing structure (which has been offered to date by Chinese shipyards) limits our upfront cash payment and means that neither the construction cost financing debt nor the value of the ship is recorded on our balance sheet. In a favorable charter rate environment, it also allows us to secure over a long term a charter rate based on current market rates. No assurance can be given, however, that this structure will remain available to shipping companies at all or at favorable rates, due to factors including the possible reduced availability of inexpensive credit for shipyards or rising spot rates for charters. If such a structure was no longer available or attractive, we would need to revert to more traditional ship financing structures, which would likely require larger cash expenditures and the incurrence of more debt. Financing transactions perceived as attractive when incurred could also turn out to be less attractive should spot rates in the charter market fall further, leaving us with a more expensive long-term charter. These factors could have a material adverse effect on our business, results of operations and financial condition.

Risks Relating to the Notes, the Offering and Other Financings

Our substantial indebtedness could harm our financial condition, constrain our growth and prevent us from fulfilling our obligations under the notes.

We will have substantial indebtedness after completing this offering. See "*Description of Certain Financing Arrangements*." As of September 30, 2013, on a *pro forma* basis to give effect to the issuance of the notes offered hereby and the use of the net proceeds therefrom:

- our total consolidated indebtedness would have been \$5,726.7 million, of which approximately \$387.0 million would have been indebtedness incurred in this offering and \$1,940.6 million would have been indebtedness of our Subsidiaries;
- our total shareholders' equity as calculated for the purpose of determination of our total capitalization would have been \$4,533.5 million; and
- our total consolidated indebtedness would have represented 55.8% of our total capitalization.

See "*Capitalization*."

We expect to be able to refinance or repay the principal amount outstanding under the notes offered hereby and other debt when such debt matures. We could, however, be unable to refinance such debt on terms satisfactory to us, or at all, particularly in light of the volatility in the credit markets in recent years.

Our ability to fund working capital, capital expenditures, new programs, acquisitions and other expenses will depend on our future operating performance and ability to generate sufficient cash. Our indebtedness could have important consequences to you as a holder of the notes. For example, it could, among other things:

- make it more difficult for us to satisfy our obligations under the notes;
- limit our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional capital;
- place us at a competitive disadvantage compared to our competitors with less debt or greater access to capital resources;
- limit our flexibility in planning for, or responding to, changing conditions in our business and industry;
- increase our vulnerability to economic downturns and adverse developments in our business;
- negatively impact credit terms with our creditors;
- restrict us from exploiting certain business opportunities; and
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt and reducing the availability of our cash flow to fund internal growth through capital expenditures and for other general corporate purposes.

Any of the above listed factors could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to generate sufficient cash to service our indebtedness, including as a result of factors outside our control, and could be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

We have substantial leverage and significant debt service obligations. Our ability to make payments on or to refinance our debt obligations will depend on our future operating performance and ability to generate sufficient cash. This depends, to a large extent, on global demand for container shipping services, available ship and container capacity, prevailing freight rates and bunker fuel prices. These factors, in turn, are dependent on general economic and financial conditions, as well as competitive, market, regulatory and other factors, all of which are largely beyond our control. Our substantial leverage could also make it more difficult for us to satisfy our obligations with respect to the notes and could expose us to interest rate increases to the extent our variable rate debt is not hedged.

Our business may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debts, including the notes. If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we could be forced to:

- reduce our business activities or delay capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all, or that any of these actions would yield sufficient funds to satisfy our obligations under our indebtedness.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time, as well as on many factors outside of our control, including then-prevailing conditions in the international credit and capital markets. Any refinancing of our debt could be at higher interest rates than our current debt and could require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the indenture governing the notes could restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a downgrade of our corporate credit rating, which could harm our ability to incur additional indebtedness.

In the absence of operating results and resources sufficient to service our indebtedness, we could face substantial liquidity problems and could be required to dispose of material assets or operations to meet our debt service and other obligations. The terms of our indebtedness restrict our ability to transfer or sell assets and the use of proceeds from any such disposition. We may not be able to consummate certain dispositions or to obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet any of our debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our debt service obligations, and thus have a material adverse effect on our business, results of operations and financial condition.

Despite our current level of indebtedness, we could still be able to incur substantially more debt in the future, which could make it difficult for us to service our debt, including the notes.

We could incur substantial additional debt in the future. Other debt could be structurally senior to the notes, secured or could mature prior to the notes. The terms of the indenture governing the notes will permit us to incur future debt that could have substantially the same or more restrictive covenants as those of the indenture governing the notes. Borrowings under debt instruments that contain cross acceleration or cross default provisions, including the notes, could as a result also be accelerated and become due and payable. We could be unable to pay the notes in full and these debts in such circumstances.

The terms of our indebtedness contain certain covenants that require us to meet certain financial tests and impose limitations and restrictions on our ability to operate our business.

The instruments governing our indebtedness contain covenants which impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- make certain payments, including dividends or other distributions;
- make certain investments or acquisitions;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- enter into arrangements that restrict payments of dividends to us;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all our assets or those of our subsidiaries on a consolidated basis;
- issue or sell share capital of certain subsidiaries; and
- create or incur certain liens.

Our existing indebtedness also includes other covenants as set forth in "*Description of Certain Financing Arrangements*." These covenants could limit our ability to finance our future operations and capital needs, as well as our ability to pursue acquisitions and other business activities that could be in our interest. Our ability to comply with these covenants and restrictions could be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the terms of certain of our financing arrangements. If the debt under the notes or any other material financing arrangement that we have entered into, or may enter into, were to be accelerated, our assets could be insufficient to repay in full the notes and our other debt.

The notes will be unsecured obligations, and will be effectively subordinated to our secured indebtedness.

We are issuing the notes as senior unsecured obligations. The notes will be effectively subordinated in right of payment to all our existing and future secured indebtedness, to the extent of the value of the assets securing such debt. As of September 30, 2013, we had $4,564 million of secured indebtedness outstanding. The terms of the indenture governing the notes will permit us to incur significant additional secured indebtedness in the future, subject to certain limitations. Accordingly, in the event of a bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding affecting the Issuer, your rights to receive payment will be effectively subordinated to those of secured creditors up to the value of the collateral securing such indebtedness. Holders of the notes will participate in our remaining assets ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all our other general creditors, based on the respective amounts owed to each holder or creditor. In addition, if the secured lenders were to declare a default with respect to their loans and enforce their rights with respect to their collateral, there can be no assurance that our remaining assets would be sufficient to satisfy our other obligations, including our obligations with respect to the notes. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of the notes could receive less, ratably, than holders of secured indebtedness.

Your right to receive payments under the notes will be structurally or effectively subordinated to claims of existing and future creditors of our subsidiaries.

The notes will be structurally subordinated to existing and future obligations of our subsidiaries. Our subsidiaries could incur debt in order to finance operations. In addition, claims of creditors of our subsidiaries, including trade creditors of our subsidiaries, will have priority with respect to the assets and earnings of such subsidiaries over the claims of our creditors. As of September 30, 2013, on a combined basis, our subsidiaries had $1,897.0 million of indebtedness outstanding. Our subsidiaries have no obligation to pay amounts due on the notes and will not guarantee the notes. The notes, therefore, will be structurally subordinated to the claims of creditors of our direct and indirect operating subsidiaries (based on the obligations of the principal obligor and excluding the impact of any guarantees). Any right we may have to receive assets of any of our subsidiaries upon the liquidation or reorganization of any such subsidiary (and the consequent right of holders of the notes to participate in the distribution of, or realize proceeds from, those assets) will be structurally subordinated to the claims of the creditors of such subsidiary.

We may not be able to purchase your notes upon a change of control.

Upon the occurrence of a change of control as defined in the indenture governing the notes, we will be required to offer to repurchase all outstanding notes at 101.0% of the principal amount. We may not have sufficient funds at the time of such an event to make any required repurchase of the notes. We could therefore require financing to repurchase the notes and may not be able to obtain such financing on commercially reasonable terms, or at all. The Issuer's failure to effect a change of control offer when required would constitute an event of default under the indenture governing the notes. However, some important corporate events that could adversely affect the value of the notes would not constitute a "change of control" under the indenture governing the notes. For a complete description of the events that would constitute a "change of control," you should read the section entitled "*Description of Notes—Purchase of Notes upon a Change of Control*."

Investors could have difficulty bringing actions or enforcing judgments for U.S. securities law liabilities.

We are a French company and all of the members of our Board of Directors and key management are resident outside of the United States. In addition, the majority of our subsidiaries, the majority of our assets and the source of the majority of our cash flow are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons, us or any of our subsidiaries, or to enforce, in U.S. courts or in courts outside the United States, judgments obtained against these persons, us or any of our subsidiaries. In addition, it may not be possible for you to effect service of process within the United States upon our officers and directors, us or any of our subsidiaries to enforce judgments obtained in the U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States. Actions in the United States under the U.S. federal securities laws could also be affected under certain circumstances by the French law of July 16, 1980, which could preclude or restrict the obtaining of evidence in France or from French persons in connection with these actions.

Insolvency laws in France could impede your ability to enforce your rights under the notes.

The Issuer is incorporated under the laws of France. Accordingly, any insolvency proceedings with respect to us or our French subsidiaries would likely proceed under the laws of France. French insolvency proceedings affecting creditors include court-assisted pre-insolvency proceedings (*mandat ad hoc* proceedings or conciliation proceedings (*procédure de conciliation*)) and court-controlled insolvency proceedings (safeguard proceedings (*procédure de sauvegarde*), accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*) ("SFA proceedings"), reorganization proceedings (*redressement judiciaire*), or liquidation proceedings (*liquidation judiciaire*)). Certain provisions of insolvency laws in France are less favorable to creditors than bankruptcy laws in the United States. French insolvency legislation generally favors the continuation of a business and the protection of employment over the repayment of creditors.

The following is a general discussion of insolvency proceedings governed by French law for information purposes only and does not address all the French legal considerations that may be relevant to holders of the notes.

Court-assisted pre-insolvency proceedings

Pre-insolvency proceedings (*i.e. mandat ad hoc* and conciliation proceedings) may only be initiated by the debtor itself, in its sole discretion, provided that it experiences or anticipates any kind of difficulties (in particular legal, economic or financial) (i) while still being able to pay its debts as they fall due out of its available assets (*i.e.*, the company is not cash flow insolvent (*en état de cessation des paiements*)) in case of *mandat ad hoc* or conciliation, or (ii) while being cash flow insolvent for less than 45 days in case of conciliation proceedings only.

Mandat ad hoc and conciliation proceedings are informal amicable proceedings carried out under the supervision of the president of the relevant commercial court. The commercial court will appoint an independent third party (as the case may be, a *mandataire ad hoc* or a *conciliateur*) in order to help the debtor to negotiate on a purely consensual and voluntary basis with all or part of its creditors with a view to restructuring its indebtedness. Agreements reached through such proceedings are non-binding on third parties, and the *mandataire ad hoc* or the *conciliateur* has (i) no legal coercive power over the creditors and (ii) no authority to force the parties to accept an agreement.

Mandat ad hoc proceedings. Such proceedings are confidential. The agreement reached between the debtor and all or part of its creditors (if any) will be reviewed by the court but, unlike in conciliation proceedings, French law does not provide for specific consequences attached to such review. There is no time limit for the duration of mandat ad hoc proceedings except that mandat ad hoc proceedings cannot continue once the debtor has been cash flow insolvent.

Conciliation proceedings. Conciliation proceedings are also confidential and may last up to five months. If an agreement is reached by the debtor and all or part of its creditors in the context of conciliation proceedings, it may be either, upon all parties' request, acknowledged (constaté) by the president of the court or, upon the debtor's request (and provided that certain conditions are satisfied), approved (homologué) by the court.

The acknowledgement *(constatation)* of the agreement by the president of the court gives the agreement the legal force of a final judgment, which means that it constitutes a judicial title (titre exécutoire) that can be enforced by the parties without further recourse to a judge, but the conciliation proceedings remain confidential.

The approval *(homologation*) by the court will make the conciliation proceedings public and has the following specific consequences, in addition to the above:

- creditors who, as part of the approved conciliation agreement, provide new money, goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity) will enjoy a priority of payment over all pre-petition and post-petition claims (other than certain post-petition employment claims and procedural costs), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings; and
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the cash flow insolvency (cessation des paiements) cannot be determined by the court as having occurred earlier than the date of the approval of the agreement, except in case of fraud.

In case of breach of the conciliation agreement, whether acknowledged or approved, the court (or the president of the court if the conciliation agreement has merely been acknowledged) will, at the request of any party thereto, rescind the agreement.

The conciliation proceedings, in the context of which a draft restructuring plan has been negotiated and is likely to receive a sufficiently large support from its financial creditors in order to make its adoption realistic, will be a mandatory preliminary step of the SFA proceedings described below.

Court-controlled insolvency proceedings

The following French insolvency proceedings may be initiated by or against a company in France:

(a) safeguard proceedings *(procédure de sauvegarde*), if such company, while not being cash flow insolvent *(en état de cessation des paiements*), is facing difficulties which it cannot overcome;

(b) SFA proceedings, if such company (i) while not being cash flow insolvent, is facing difficulties which it cannot overcome, (ii) has either more than 150 employees or turnover greater than €20 million or a total balance sheet exceeding €25 million (or €10 million if it controls another company which meets one of those conditions) and (iii) has already negotiated, in the context of conciliation proceedings, a draft safeguard plan ensuring the continuation of its business as a going concern supported by enough of its financial creditors so that its adoption will be likely within a maximum of two months of the opening of the proceedings; or

(c) judicial reorganization *(redressement judiciaire*) or judicial liquidation *(liquidation judiciaire*) proceedings if such company is cash flow insolvent *(en état de cessation des paiements*).

While a company does not have an obligation to apply for safeguard or SFA proceedings, it is required to file for bankruptcy within 45 days of the date upon which the cash flow insolvency occurred, unless it has required the opening of conciliation proceedings within the same 45 day period. If it fails to do so, *de jure* managers (including directors) and, as the case may be, *de facto* managers of the company, may be subject to civil liability. Upon this filing, the court will commence judicial reorganization proceedings (if recovery is possible) or judicial liquidation proceedings (if recovery is clearly not possible)

In safeguard and judicial reorganization proceedings, a court-appointed administrator investigates the business of the company during an observation period, which may last for up to 18 months. In SFA proceedings, such period is reduced to one month (renewable once).

At the end of the observation period, if it considers that the company can survive as a going-concern, the court can adopt a safeguard plan (*plan de sauvegarde*) or a reorganization plan (*plan de redressement*), which may defer or reschedule the company's payment obligations. Under the reorganization proceedings, a plan for the sale of the business may also be adopted by the court if the adoption of a reorganization plan is not possible. At any time if there is no chance of recovery, the court must convert those procedures into liquidation, which will end with the sale of the business or the winding-up of the company (*liquidation judiciaire*).

SFA proceedings will essentially follow the same rules as those applicable to safeguard proceedings, subject to some differences, the most significant of which are mentioned below.

The following principles are set forth in articles L. 622-7, L. 622-13, L. 622-24, L. 622-26, L. 623-1, L. 622-29, L. 626-18, and L. 632-1 and R. 600-1 to R. 663-49 of the French Commerce Code.

As a general rule, from the date of the judgment commencing bankruptcy proceedings (*jugement d'ouverture*), the debtor is prohibited from paying debts that arose prior to the judgment, subject to certain exceptions which essentially cover the set-off of related debts, and payments made to recover assets which are necessary for the continued operation of the business if authorized by the bankruptcy judge. From the date of the court order, creditors may not pursue any individual debt collection or assimilated legal action against the company with respect to any claim arising prior to the court order commencing bankruptcy proceedings. Contractual provisions that would accelerate the payment of the debtor's obligations upon the occurrence of certain bankruptcy events are not enforceable under French law.

Creditors (other than employees) domiciled in continental France whose debts arose prior to the commencement of bankruptcy proceedings (*jugement d'ouverture*), whether safeguard proceedings, SFA proceedings, reorganization proceedings or liquidation proceedings, must file a claim with the creditors' representative within two months of the publication of the court order commencing bankruptcy proceedings in the *Bulletin Officiel des Annonces Civiles et Commerciales*; this period is extended to four months for creditors domiciled outside continental France. Creditors who have not submitted their claims during this period are barred from receiving distributions made in connection with the bankruptcy proceedings, but their unasserted claims will not be extinguished under French law—even though such claims will be unenforceable against the debtor both during the implementation of the plan as well as after so long as no obligation of the plan has been breached.

As from the date of the judgment commencing bankruptcy proceedings, the accrual of interest is suspended (except in respect of loans providing for a term of at least one year and contracts providing for a payment that differs by at least one year).

Further, certain agreements or undertakings entered into, payments made and any other actions taken by the debtor are automatically invalidated if entered into, made or taken during the fraudulent conveyance period (*période suspecte*), which runs from the date upon which the debtor became cash flow insolvent up to the date of the judgment that commenced reorganization or liquidation proceedings, which can be fixed by the court at any time up to 18 months before the judgment that commenced the proceedings.

The court may also invalidate any payment made by the debtor in respect of a debt that is due and payable and any undertaking entered into by it during the fraudulent conveyance period if the beneficiary of such payment or undertaking had, at the relevant time, personal knowledge that the debtor was cash flow insolvent. It is for the court to determine when the debtor was cash flow insolvent and thus to determine the starting point of the fraudulent conveyance period.

In the context of safeguard or reorganization proceedings, the court may order, during the course of or at the end of the observation period (which may, in certain cases, be shortened or extended), (i) the reorganization of the company under a safeguard or reorganization plan, (ii) its sale under a reorganization proceedings or in case of conversion into liquidation proceedings or (iii) its winding-up in case of conversion of these proceedings into liquidation proceedings. Whenever possible, continuation is to be favored.

If the court adopts a safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. Under a safeguard or a reorganization plan, the court has the right to impose unilateral debt deferrals for a maximum period of 10 years, but the court may not impose debt write-offs. Creditors whose claim arose prior to the commencement of bankruptcy proceedings must be consulted on an individual basis on debt rescheduling and/or debt write-off proposals made by the debtor, provided they duly filed their claims with the creditors' representative within the above-mentioned periods.

In the case of large companies (with more than 150 employees or turnover greater than €20 million), two creditors' committees (one for financial creditors having a claim against the debtor and the other for suppliers having a claim that represents more than 3.0% of the total amount of the claims of all of the debtor's suppliers) must be established. If there are any outstanding debt securities in the form of obligations (such as bonds or notes), a general meeting of all holders of such debt securities will be established whether or not there are different issuances and irrespective of the applicable law of the obligations (the "bondholders' general meeting"). The notes constitute obligations for the purposes of a safeguard or reorganization proceedings. The two committees and the bondholders' general meeting will be consulted on the safeguard or reorganization plan drafted by the debtor's management. In the first instance, the plan must be approved by each of the two creditors' committees. Such approval requires the affirmative vote of creditors holding at least two-thirds of the amounts of the claims held by the members of the committee participating in such vote. Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the bondholders' general meeting. The approval of the plan at such meeting requires the affirmative vote of bondholders representing at least two-thirds of the principal amount of the *obligations* held by creditors who voted in the bondholders' general meeting. Creditors and bondholders whose rights are not modified by the plan do not participate in the vote.

Following approval by the creditors' committees and the bondholders' general meeting (if any), the plan must be approved (*arrêté*) by the Court. In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected. Once approved by the relevant court, the safeguard or reorganization plan accepted by the committees and the bondholders' general meeting (if any) becomes binding on all of the members of the committees and all bondholders (including those who voted against the adoption of the plan). A safeguard or reorganization plan may include debt rescheduling and debt write-offs, as well as debt-to-equity swaps. The plan must take into account the subordination agreements entered into by creditors before the opening of the procedure.

In the event any of the committees, or the bondholders' general meeting (if any), has refused to give its consent to the plan, the plan will not be approved by the court and a consultation of the creditors on an individual basis will take place as described above. The same rule applies with respect to creditors that are not members of the committees and who have not consented to the plan as adopted by the two committees and the bondholders' general meeting.

In the context of SFA proceedings, the above rules only apply to the creditors that are subject to the SFA proceedings (*i.e.,* members of the financial creditors' committee, and bondholders that are eligible to attend the bondholders' general meeting described above).

If the court adopts a plan for the sale of the business (*plan de cession*), or in the event of the winding up of the company (*liquidation judiciaire*), the price paid by the buyer or the value of the realized assets is distributed among the creditors according to their ranking. French insolvency law assigns priority to the payment of certain creditors, including employees, the French treasury, secured creditors and post-petition creditors under certain conditions.

A trading market for the notes may not develop.

There is no established trading market for the notes and a liquid trading market may not develop for the notes. We will apply to list the notes on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Euro MTF market. We cannot guarantee that the application we will make to the Official List of the Luxembourg Stock Exchange for the notes to be listed and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange will be approved as of the Issue Date or at any time thereafter, and settlement of the notes is not conditioned upon obtaining this admission to trading. The liquidity of any market for the notes will depend upon the number of holders of the notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. While the initial purchasers have informed us that they currently intend to make a market in the notes, they have no obligation to do so and could discontinue market-making activities in their sole discretion at any time without notice.

The trading price of the notes could be volatile.

Historically, the markets for non-investment grade debt securities such as the notes offered hereby have been subject to disruptions that have caused substantial price volatility. The market, if any, for the notes could be subject to similar disruptions and volatility, and these disruptions could have an adverse effect on the holders of the notes. In addition, subsequent to their initial issuance, the notes could trade at a discount from the initial offering price of the notes depending on the prevailing interest rates, the market for similar notes, our performance and other factors, many of which are beyond our control.

Changes in respect of the public debt ratings of the notes could materially and adversely affect the availability and the cost and terms and conditions of our debt.

The notes will be, and any of our future debt instruments could be, publicly rated by Standard & Poor's and Moody's. These public debt ratings affect our ability to raise debt. Any future downgrading of the rating of the notes or any other debt instruments we could have at such time by Moody's or Standard & Poor's could affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the notes.

If the notes are rated investment grade by at least two of Standard & Poor's, Moody's and Fitch, certain covenants contained in the indenture governing the notes will be suspended, and you will lose the protection of these covenants unless or until the notes subsequently fall back below investment grade.

The indenture governing the notes contains certain covenants that will be suspended for so long as the notes are rated investment grade by at least two of Standard & Poor's, Moody's and Fitch. These covenants include:

- Limitation on Debt;
- Limitation on Restricted Payments;
- Limitation on Transactions with Affiliates;
- Limitation on Sale of Certain Assets;
- Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries;
- Certain provisions of Designation of Unrestricted and Restricted Subsidiaries;
- Certain provisions of Limitation on Sale and Leaseback Transactions;
- Limitation on Lines of Business; and
- Certain provisions of Consolidation, Merger and Sale of Assets.

As a result, we will be able to incur additional indebtedness and consummate transactions that could impair our ability to satisfy our obligations with respect to the notes. In addition, we will not have to make certain offers to repurchase the notes. These covenants will only be restored if the credit ratings later assigned to the notes later fall below investment grade. See "*Description of Notes—Suspension of Covenants Following Achievement of Investment Grade Rating*." Any actions taken during the period of suspension will remain in effect despite such a restoration of the covenants.

The notes will be held in book-entry form and therefore you must rely on the procedures of Euroclear and Clearstream to exercise any rights and remedies.

The notes will be issued in fully registered form. The notes will be deposited, on the closing date, with or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

Ownership of beneficial interests in the global notes (the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants. Owners of beneficial interests in the global notes will not be entitled to receive definitive notes in registered form, except under the limited circumstances described in "*Book-Entry, Delivery and Form—Issuance of Definitive Registered Notes*." So long as the notes are held in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of global notes. The common depositary for Euroclear and/or Clearstream or its nominee will be considered the sole holders of global notes.

Payments of any amounts owing in respect of the global notes (including principal, premium, interest and additional amounts, if any) will be made by the Issuer to the Paying Agents. The Paying Agents will, in turn, make such payments to the common depositary or its nominee for Euroclear or Clearstream. The common depositary or its nominee will in turn distribute such payments to participants in accordance with its procedures. After payment to the common depositary or its nominee for Euroclear and/or Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the holders of Book-Entry Interests. Accordingly, if you hold a Book-Entry Interest, you must rely on the procedures of Euroclear or Clearstream, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you hold your interest, to exercise any rights and obligations of a holder of notes under the indenture governing the notes.

Unlike the holders of the notes themselves, holders of Book-Entry Interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the notes. Instead, if you hold a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the indenture governing the notes, unless and until definitive registered notes are issued in respect of all Book-Entry Interests, if you hold a Book-Entry Interest, you will be restricted to acting Euroclear or Clearstream. The procedures to be implemented through Euroclear or Clearstream may not be adequate to ensure the timely exercise of rights under the notes.

You could face foreign exchange risks or adverse tax consequences by investing in the notes.

The notes will be denominated and payable in euros. If you measure your investment returns by reference to a currency other than the currency in which your notes are denominated, an investment in the notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro or U.S. dollar, as applicable, relative to the currency by reference to which you measure the return on your investments because of economic, political and other factors over which we have no control. Depreciation of the euro or U.S. dollar, as applicable, against the currency by reference to which you measure the return on your investments could cause a decrease in the effective yield of the notes below their stated coupon rates and could result in a loss to you when the return on the notes is translated into the currency by reference to which you measure the return on your investments. Investment in the notes could also have important tax consequences as a result of any foreign currency exchange gains or losses. See "*Certain Tax Considerations*."

Transactions in the notes could be subject to a future European financial transactions tax.

On February 14, 2013, the European Commission proposed a directive that, if adopted in this form, would subject transactions in securities such as the notes to a financial transactions tax. The proposed directive would call for eleven European member states, including France, to impose a tax of generally at least 0.1% on all such transactions, generally determined by reference to the amount of consideration paid. The mechanism by which the tax would be applied and collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the notes would be subject to higher costs, and the liquidity of the market for the notes could be diminished. See "*Taxation—EU Proposed Financial Transactions Tax*."

The notes may be issued with original issue discount for U.S. federal income tax purposes.

If the principal amount of the notes exceeds their "issue price" (as defined below under "*Certain Tax Considerations—U.S. Federal Income Tax Considerations*") by an amount that equals or is greater than the statutory *de minimis* amount, the notes will be treated as issued with OID for U.S. federal income tax purposes in an amount equal to such excess. In such event, U.S. holders (as defined below under "*Certain Tax Considerations—U.S. Federal Income Tax Considerations*") of the notes will be required to include such OID in their gross income (as ordinary income) as it accrues, in advance of their receipt of cash attributable to such OID. See "*Certain Tax Considerations—U.S. Federal Income Tax Considerations*."

Transfer of the notes will be restricted, which could adversely affect the value of the notes.

The notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and we have not undertaken to effect any exchange offer for the notes in the future. You may not offer the notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement. The notes and the indenture will contain provisions that will restrict the notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S, or other exceptions under the Securities Act. Furthermore, we have not registered the notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the notes within the United States and other countries comply with applicable securities laws. See "*Notice to Investors*" and "*Plan of Distribution*."

DESCRIPTION OF THE ISSUER

The Issuer

The Issuer is a corporation (*société anonyme*) organized under the laws of France with its principal executive registered offices at 4 Quai d'Arenc, 13002 Marseille, France. The Issuer was incorporated on July 12, 1977 and is registered with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Marseille under number 562 024 422.

Pursuant to Article 3 of the Issuer's bylaws, the Issuer's corporate purpose is to carry out any activities relating to any maritime transport, construction, purchasing, sales, repair, fitting out, vessel chartering, handling, warehouse operations, purchasing and sales of goods, port and rail services, marine resources exploitation and any tourist and hotel activities. Pursuant to Article 3 of the Issuer's bylaws, the Issuer may also carry out maritime postal services, invest, by any means, in any transactions relating to its corporate purpose, whether by incorporating new companies, subscribing to or purchasing shares or securities, merging or otherwise, and carry out any transport activities of any kind and any commercial, industrial, real estate, movable and financial activities relating to, directly or indirectly, its corporate purpose, which may promote its extension or development.

Our main subsidiaries

CMA CGM Antilles-Guyanne

CMA CGM Antilles-Guyanne is a corporation (*société anonyme*) organized under the laws of France with a share capital of €10.5 million and its principal executive registered offices at 4, Quai d'Arenc, 13002 Marseille, France. CMA CGM Antilles-Guyanne provides container shipping services on France-Caribbean and France-West Indies trade lanes. CMA CGM Antilles-Guyanne is a wholly-owned subsidiary of the Issuer. For the year ended December 31, 2012, no profit or loss arising out of ordinary activities was incurred by CMA CGM Antilles-Guyanne and the Issuer received dividends of $111.8 million from CMA CGM Antilles-Guyanne. As of September 30, 2013, the reserves of CMA CGM Antilles-Guyanne amounted to €7.6 million. As of October 31, 2013, the outstanding amount owed to CMA CGM Antilles-Guyanne by the Issuer was $69,972.

ANL Singapore Pte Ltd

ANL Singapore Pte Ltd is a limited private company organized under the laws of Singapore with a share capital of S$0.2 million and its principal executive registered offices at 9, North Buona Vista Drive, #03-01, The Metropolis (Tower 1), Singapore 138588, Singapore. ANL Singapore Pte Ltd provides container shipping services on certain trade lanes in Oceania. ANL Singapore Pte Ltd is a wholly-owned subsidiary of ANL Container Lines Pty Ltd, a limited private company organized under the laws of Australia with a share capital of AU$ 15 million that is itself wholly owned by the Issuer. For the year ended December 31, 2012, no profit or loss arising out of ordinary activities was incurred by ANL Singapore Pte Ltd. As of September 30, 2013, the reserves of ANL Singapore Pte amounted to €106.8 million. As of October 31, 2013, the outstanding amount owed to ANL Singapore Pte Ltd by the Issuer was $152,288.

CMA Terminals Holding

CMA Terminals Holding is a joint stock company (*société par actions simplifiée*) incorporated in 2013 and organized under the laws of France with a share capital of €620.4 million and its principal executive registered offices at 4, Quai d'Arenc, 13002 Marseille, France. CMA Terminals Holding is the holding company for our ownership interests in terminals. CMA Terminals Holding is a wholly-owned subsidiary of the Issuer. As of October 31, 2013, the outstanding amount owed to CMA Terminals Holding by the Issuer was $118,997.

USE OF PROCEEDS

The aggregate net proceeds from the offering of the notes (after payment of commissions and estimated expenses) will be $387.0 million (translated at the exchange rate of $1.3505 = €1 as of September 30, 2013 used by the Company for its consolidated balance sheet as of such date).

We will use the net proceeds from the offering of the notes for general corporate purposes. We will also use the net proceeds from the offering of the notes to make an early partial prepayment of the New Term Loan on the closing date as required by the terms thereof. We will refinance such prepayment as soon as practicable following the closing of the offering using proceeds from the €145.0 million Refinancing Term Loan for which we have received a firm commitment letter from the arrangers named therein. Upon the drawing of this Refinancing Term Loan, we will use its remaining proceeds, together with available cash balances, to prepay the then outstanding remaining principal amount of the New Term Loan in full. See "*Description of Certain Other Financings—Implementation of the 2012 Restructuring Principles*" and "*Capitalization*."

The following table shows the sources and uses of funds related to the offering (in $ millions)[(1)].

Sources of Funds		Uses of Funds	
Notes offered hereby	395.2	General corporate purposes	251.5
		Mandatory prepayment of the New Term Loan[(2)]	135.5
		Estimated fees and expenses[(3)]	8.2
Total sources	**395.2**	**Total uses**	**395.2**

(1) U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of $1.3505 = €1 (the exchange rate as of September 30, 2013 used by the Company for its consolidated balance sheet as of such date).

(2) Pursuant to the New Term Loan, we will be required to make a prepayment of the New Term Loan in an amount equal to 35% of the net proceeds of the Notes offered, or €100.3 million ($135.5 million), on the closing date. Such mandatory prepayment will be refinanced using the proceeds from the €145.0 million Refinancing Term Loan for which we have received a firm commitment letter from the arrangers named therein. We will also use the proceeds of the Refinancing Term Loan (together with available cash balances) to prepay the then outstanding remaining principal amount of the New Term Loan in full. The aggregate principal amount to be prepaid of the New Term Loan (including the amount of the mandatory prepayment made on the closing date) is $218.6 million.

(3) Represents our estimate of fees and expenses in connection with or otherwise related to the offering of the notes, including underwriting fees, professional and legal fees, financial advisory and other transaction costs. Actual fees and expenses may differ.

CAPITALIZATION

The following table sets forth our cash, cash equivalents, securities and LTV deposits, and consolidated capitalization as of September 30, 2013, on an actual basis and as adjusted to give effect to the issuance of the notes offered hereby and the use of the net proceeds therefrom. You should read this table in conjunction with our audited and unaudited interim condensed consolidated financial statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Use of Proceeds" included elsewhere in these listing particulars. U.S. dollar equivalents of euro-denominated amounts are calculated at an exchange rate of $1.3505 = €1 (the exchange rate as of September 30, 2013 used by the Company for its consolidated balance sheet as of such date).

	As of September 30, 2013	
	Actual	As Adjusted
	($ millions)	
Cash, cash equivalents, securities and LTV deposits	**1,408.3**(1)	**1,659.8**(2)
Debt		
Senior Notes(3)	911.1	911.1
Notes offered hereby	—	387.0(4)
Bank debt	2,165.9	2,030.4(5)
Obligations under finance leases	1,221.5	1,221.5
Bank overdrafts	153.5	153.5
Other financial debts	683.8	683.8
Bonds redeemable in shares	339.4	339.4
Total debt	**5,475.3**	**5,726.7**
Total equity(6)	**4,566.3**	**4,533.5**
Total capitalization	**10,041.6**	**10,260.2**

(1) Includes $1,135.8 million of cash and cash equivalents, $118.5 million of securities and $154.0 million of LTV deposits. LTV deposits are held as collateral to the related financing and, accordingly, we have deducted these cash deposits for the purpose of determining net debt.

(2) Includes the net proceeds from the offering of the notes less the amount of the mandatory prepayment of €100.3 million ($135.5 million) of the principal amount of the New Term Loan on the closing date. Such prepayment will be refinanced as soon as practicable after the completion of the offering using the proceeds from the Refinancing Term Loan as described below.

(3) Consists of (i) $769.0 million in aggregate principal amount of 2017 and 2019 Senior Notes outstanding as of September 30, 2013, (ii) $112.0 million of Class A Notes issued in connection with a 2006 vessel financing securitization transaction outstanding as of September 30, 2013 and (iii) $30.0 million of notes issued by our subsidiary Comanav that mature on December 31, 2013. See "*Description of Certain Other Financing Arrangements—Vessel Financing Securitization*" and Note 25 to our unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2013 included elsewhere in these listing particulars.

(4) Represents gross proceeds of $395.2 million less $8.2 million of costs of issuance that are capitalized according to IFRS.

(5) Reflects the prepayment of €100.3 million ($135.5 million) of the New Term Loan on the closing date.

(6) Total equity includes the $331.6 million portion of the ORA accounted for under IFRS as equity.

On December 4, 2013, we entered into a commitment letter setting out the terms and conditions upon which the arrangers named therein commit to fully underwrite and arrange a new secured term loan facility in the amount of €145.0 million (the "Refinancing Term Loan"). We will draw the Refinancing Term Loan down in full as soon as practicable after the completion of the offering, and use the proceeds thereof to refinance the mandatory prepayment made on the closing date of the New Term Loan. We will also use the proceeds of the Refinancing Term Loan (together with available cash balances) to prepay the then outstanding remaining principal amount of the New Term Loan. The aggregate principal amount to be prepaid of the New Term Loan (including the amount of the mandatory prepayment made on the closing date) is $218.6 million. The Refinancing Term Loan will have a maturity date of March 31, 2016.

Other than as described above and except for the New Securitization Program as described under "Certain Financings—Securitization of Receivables," there have been no material changes in our consolidated capitalization since September 30, 2013.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following table presents summary consolidated financial information of the Company, at the dates and for the periods indicated. The summary consolidated financial information as of and for the years ended December 31, 2010, 2011 and 2012 is derived from our Audited Consolidated Financial Statements prepared under IFRS. The summary consolidated financial information as of or for the nine months ended September 30, 2012 and 2013 is derived from our Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with IAS 34—the standard of IFRS as adopted by the European Union applicable to interim financial statements. The free English language translation of our audited consolidated financial statements as of and for the years ended December 31, 2011 and 2012, and our unaudited interim condensed consolidated interim condensed financial statements as of and for the nine months ended September 30, 2012 and 2013, are included elsewhere in these listing particulars.

You should read this summary consolidated financial information along with *"Management's Discussion and Analysis of Financial Condition and Results of Operation"* and our audited and unaudited consolidated financial statements included elsewhere in these listing particulars. Compared to our audited consolidated financial statements for the year ended December 31, 2011, the figures as of and for the year ended December 31, 2011 in the tables below have been restated to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised, as it was disclosed in Note 2.2 of our audited consolidated financial statements at and for the year ended December 31, 2012. The figures as of and for the year ended December 31, 2010 were not restated to reflect the early adoption of IAS 19 Revised and are therefore not prepared on the same basis.

	For the year ended December 31,			For the nine months ended September 30,	
	2010	**2011**	**2012**	**2012**	**2013**
		($ millions)		**($ millions)**	
Consolidated Income Statement Data Revenue	**14,290.9**	**14,869.6**	**15,923.2**	**11,949.1**	**11,990.2**
Operating expenses	(11,780.2)	(14,562.6)	(14,617.8)	(10,920.0)	(11,136.7)
Gains/(losses) on disposal of property, equipment and subsidiaries	5.7	421.7	18.9	16.8	310.8
Profit before depreciation, amortization, impairment of losses and income from associates and jointly controlled entities	**2,516.5**	**728.7**	**1,324.3**	**1,045.9**	**1,164.3**
Depreciation, amortization of non-current assets	(364.7)	(409.9)	(405.6)	(305.0)	(318.3)
Impairment of assets and risks associated to vessels and negative goodwill	(51.6)	51.4	(45.4)	(10.7)	(96.6)
Amortization of NPV benefit related to assets	54.5	90.1	95.4	67.1	91.8
Share of profit (loss) of associates and joint ventures	10.1	24.4	39.1	31.2	10.8
Operating profit/(loss)	**2,164.8**	**484.7**	**1,007.9**	**828.5**	**852.0**
Cost of net debt	(276.0)	430.8[2]	(409.9)	(307.0)	(333.7)
Other financial items	(210.9)	(2.2)	(63.9)	(53.2)	(10.9)
Income taxes	(23.8)	(33.5)	(64.7)	(49.9)	(56.3)
Profit/(loss) from discontinued operations	—	(22.7)	(108.8)	(108.8)	—
Profit/(loss) for the period	**1,654.0**	**(4.6)**	**360.6**	**309.6**	**451.0**

	As of December 31,			As of September 30,
	2010	2011	2012	2013
	($ millions)			($ millions)
Consolidated Balance Sheet Data				
Intangible assets	722.4	658.7	488.0	502.0
Vessels	5,519.0	6,278.6	6,041.3	6,209.8
Containers	949.6	772.3	738.4	666.8
Land and buildings	669.3	637.7	627.5	613.2
Other property and equipment	364.2	192.8	123.5	111.1
Other non-current assets	1,282.2	1,572.0	1,468.1	1,623.9
Inventories	405.0	519.7	484.5	472.9
Trade and other receivables	2,031.6	2,103.8	2,230.5	2,391.3
Securities	28.5	18.2	12.0	118.5
Cash and cash equivalents	538.7	857.1	601.3	1,135.8
Other current assets	284.1	292.6	215.7	187.5
Assets classified as held-for-sale	473.1	56.4	610.1	2.1
Total assets	**13,267.7**	**13,959.8**	**13,641.0**	**14,034.9**
Total equity	**3,476.6**	**3,720.1**	**4,039.4**	**4,566.3**
Financial debt non-current portion	1,291.8	4,956.5	1,616.9	4,426.3
Other non-current liabilities	505.3	392.8	335.6	378.7
Financial debt current portion	4,298.9	1,151.3	3,946.3	1,049.0
Other current liabilities	3,360.1	3,709.9	3,488.2	3,614.6
Liabilities associated with assets classified as held-for-sale	335.0	29.2	214.6	—
Total liabilities & equity	**13,267.7**	**13,959.8**	**13,641.0**	**14,034.9**

	For the year ended December 31,			For the nine months ended September 30,	
	2010	2011	2012	2012	2013
	($ millions)			($ millions)	
Consolidated Cash Flow Statement Data					
Cash inflow (outflow) from:					
Operating activities	1,928.1	287.5	984.5	664.5	785.0
Investing activities	(1,045.0)	(173.0)	(189.9)	(64.5)	401.8
Financing activities and effect of exchange rates	(763.2)	88.9	(922.4)	(684.5)	(786.8)
Net increase (decrease) in cash, cash equivalents and bank overdrafts	119.9	203.4	(127.8)	(84.5)	400.0
Cash, cash equivalents and bank overdrafts at the end of the period	506.4	710.2	582.4	625.6	982.4

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with the free English language translation of our audited consolidated financial statements as of and for the year ended December 31, 2012 (the "2012 Audited Consolidated Financial Statements"), our audited consolidated financial statements as of and for the year ended December 31, 2011 (the "2011 Audited Consolidated Financial Statements" and together with the 2012 Audited Consolidated Financial Statements, the "Audited Consolidated Financial Statements"), and our unaudited consolidated financial statements as of and for the nine months ended September 30, 2013 and 2012 (the "Unaudited Interim Condensed Consolidated Financial Statements"), and in each case the related notes thereto, included elsewhere in these listing particulars.

Certain information contained in the following discussion and analysis and elsewhere in these listing particulars includes forward-looking statements that involve risks and uncertainties. See "Information Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of the important factors that could cause actual results to differ materially from the results described or implied by the forward-looking statements contained in these listing particulars.

Overview

We are a leading provider of global container shipping services. In terms of capacity, we are the largest provider of container shipping services in France and the third largest in the world. We offer our services through a global network of 129 main lines and 53 feeder lines, calling at approximately 400 ports in 135 countries as of September 30, 2013, with the support of 168 shipping agencies operating through more than 671 offices worldwide.

We operate a diversified portfolio of trades encompassing East-West and North-South transcontinental trades such as Far-East (Europe-Asia including Africa and Mediterranean), Transatlantic (Europe-North America) and Transpacific (Asia-Americas) as well as intra-zone trades.

As of September 30, 2013, we operated a fleet of 430 container ships with a total capacity of 1.559 million TEU and a weighted average age (based on total TEU) of 7.1 years, of which we chartered 349 and owned 81. As of September 30, 2013, we maintained a 2.25 million TEU fleet of containers, of which we leased approximately 79% and owned the remainder. As of September 30, 2013, the book value of our owned containers was $666.8 million. The market value of our owned vessels is assessed every six months by calculating the average of three independent ship brokers' valuation, which was $4,058.8 million as of June 30, 2013.

To complement our container shipping services, we offer logistics services and inter-modal container transportation services that allow us to provide door-to-door transportation of cargo. To provide these services, we have established inland transportation systems, including by rail, road and waterway, to ensure reliable connection to our shipping lines, particularly in France, Northern Africa, Asia and India. We provide these services either ourselves or through third-party contractors. We also invest in port terminal facilities where we have significant operations. Through these investments, we gain preferred access to berths and greater control over port activities.

In 2012, we transported over 10.6 million TEU on behalf of a globally diversified base of more than 100,000 customers (of which over 8,000 shipped more than 100 TEU in 2012), and generated revenue of $15.9 billion, EBITDA of $1.3 billion, EBIT of $1.0 billion and Adjusted EBIT of $1.0 billion, representing an adjusted operating margin of 6.5%. For the nine months ended September 30, 2013, we generated revenue of $12.0 billion, EBITDA of $1.2 billion, EBIT of $0.9 billion and Adjusted EBIT of $0.6 billion, representing an adjusted operating margin of 5.3%.

Presentation of Financial Information; Comparability of Information

Our Audited Consolidated Financial Statements have been prepared in accordance with IFRS and our Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34— the standard of IFRS as adopted by the European Union applicable to interim financial statements.

Changes in accounting policies during the periods presented are disclosed in Note 2.2 of the notes to the 2012 Audited Consolidated Financial Statements, the notes to the 2011 Audited Consolidated Financial Statements and the notes to the Unaudited Interim Condensed Consolidated Financial Statements. None of these changes materially affected our financial performance or positions during the period presented.

As of December 31, 2012, we were in breach of certain of our financial covenants under certain of our bank debt and asset financing agreements, and negotiations with our lenders as part of our debt restructuring had not been concluded at that date and then-existing defaults had not therefore been waived. See "*—Key Factors Affecting Our Results of Operations—Impact of Global Financial and Economic Crisis*" below. As a result, $3,946.3 million of our financial debt was classified as "current" on our consolidated balance sheet at that date. Upon completion of the restructuring in February 2013, such amounts were subsequently re-classified as non-current in our consolidated balance sheet. In these listing particulars, we present certain consolidated balance sheet data as of December 31, 2012 on a restated basis to reflect such re-classification.

Revised Capital Structure and Focus on Operational Performance

During the period under review, we undertook two rounds of restructuring of our capital structure in response to a significant deterioration in our financial performance caused by the severe downturns experienced by the container shipping industry in 2009 and 2011. In response to these adverse market conditions, we also focused on improving our financial performance and strengthening our capital structure by securing third-party equity investments, reducing our operating costs and selling assets.

Restructurings of our Bank Debt and Asset Financings

We conducted two rounds of debt restructuring during the period under review:

- *2010/2011 Restructuring*. The global economic and financial crisis and the fall in global economic output resulted in a substantial decrease in world trade and therefore volumes transported in the second half of 2008 and in 2009. At the same time, the deliveries of new-built vessels, which had been ordered in the preceding years, resulted in substantial overcapacity in 2009. This, in turn, led to significantly lower freight rates and a sharp deterioration in our financial performance. As a result, in 2010, we suspended making principal payments under some of our bank debt and asset financing arrangements but continued to make interest payments thereunder and on our outstanding senior notes. In January 2011, we and the steering committee organized by our bank lenders agreed upon the 2011 Restructuring Principles that served as the foundation for amendments to substantially all of our bank debt and asset financing arrangements.

- *2012/2013 Restructuring*. 2011 was an unexpectedly bad year for the shipping industry due to the conjunction of significant geopolitical events, a sharp increase in bunker prices and a sharp decline in freight rates throughout the year fueled by sharpened price competition. Our cash flows and profitability were materially and adversely affected by these conditions. Thus, despite the successful implementation of the 2010/2011 Restructuring, it became necessary, due to the potential breach of leverage and coverage covenants as of December 31, 2011, to enter into a second round of negotiations with our lenders to agree new restructuring principles. Negotiations with our lenders took place through 2012 and on December 19, 2012, we and the steering committee of the relevant creditors agreed to the 2012 Restructuring Principles to serve as the basis for restructuring substantially all our bank and asset financing arrangements. Covenants based on income statement measures (principally EBITDA) were replaced, *inter alia*, by a combination of minimum cash requirements, a maximum gearing ratio and restrictions on additional long-term chartering of vessels and capital expenditures. See *"Description of Certain Other Financing Arrangements*" for a discussion of these covenants. In addition, our Revolving Credit Facility was refinanced by way of the New Term Loan entered into with a syndicate of banks on February 11, 2013 for a maximum amount of €219.8 million and with a maturity date of December 31, 2015. Other than with respect to the Revolving Credit Facility, the key economic terms of our existing bank debt and asset financing arrangements, such as interest rate and margin, principal amount and maturity date, were not affected by the 2012 Restructuring Principles. For more information, see "*Description of Certain Financing Arrangements—Implementation of the Restructuring Principles."*

We believe that the amendments to our bank and asset financing covenants implemented under the 2012 Restructuring Principles are a significant step forward in adapting our business to industry variation and will provide our financing structure with greater stability in the next cyclical downturns in the container shipping industry, as they are less sensitive to short-term fluctuations in our profitability.

In 2011, 2012 and the first nine months of 2013, we recorded costs of $16.7 million, $5.3 million and $30.0 million, respectively, in connection with the restructuring and renegotiation of our bank debt and asset financing arrangements, consisting of waiver fees and other fees and expenses related to the restructurings. In addition, our interest expense increased by $95.7 million, or 43.3%, in 2011 and by $37.3 million, or 11.8%, in

2012, mostly due to the higher margins we agreed to as part of the 2011 Restructuring Principles. Interest expense decreased by $9.2 million, or 3.5%, from $266.1 million in the first nine months of 2012 to $256.9 million in the first nine months of 2013, due to a decrease in the principal amount of our financial debt over the period.

Asset Sales

During the period under review, as part of the restructuring of our bank debt and asset financing arrangements, we sold the following assets:

- In June 2011, we sold 50.0% of our shareholding in Malta Freeport for a cash consideration of $289.1 million (at the time, €200.0 million), subject to payment of a guaranteed annual dividend to Yildirim in respect of the 2011 to 2022 fiscal years.
- In August 2012, we disposed of our remaining 39.0% shareholding in the Compagnie du Ponant group of companies, which operates a leisure cruise business, for a cash consideration of $83.0 million, recognizing a capital loss of $98.0 million on the sale. Of the consideration for the sale, $1.5 million was paid in cash at closing, with the remainder due over four years and bearing interest at 5.0% per annum.
- In February 2013, we sold a 49.0% stake in our subsidiary Terminal Link to CMHI for a cash consideration of $528.0 million. Because we no longer have sole control over Terminal Link, we have accounted for our remaining interests in such entity under the equity method of accounting beginning on June 1, 2013.
- We also generated proceeds of $114.2 million in 2011, $18.9 million in 2012 and $9.5 million in the first nine months of 2013 from the sale of ships, containers and other assets.

Third-Party Investments

During the period under review, we obtained the following funding from third-party investors:

- In January 2011, Yildirim AM, subscribed to an initial tranche of ORA for a total cash subscription price of $500.0 million. In January 2013, Yildirim subscribed to additional ORA for a total cash subscription price of $100.0 million. Each tranche of ORA bears interest at a rate of 12.0% per annum payable in cash and is mandatorily redeemable in preference shares of the Company in December 2015.
- In February 2013, FSI subscribed to the FSI ORA for a total cash subscription price of $150.0 million. The FSI ORA bear interest at a rate of 12.0% per annum payable in cash and is mandatorily redeemable in ordinary shares of the Company in December 2020.

Please see "*Description of Certain Financing Arrangements—Implementation of the 2012 Restructuring Principles—Specific Undertakings—Undertakings in Relation to the FSI ORA*" for a description of the principal terms of the ORA.

Focus on Operational Performance

During the period under review, we sought to lower our cost base in order to maintain our profitability and restore our cash flows despite lower freight rates. Hence we undertook several cost-control initiatives, including:

- increased use of short-term charters to reduce costs associated with imbalances between supply of capacity and demand;
- introduction and expansion of slow steaming to reduce bunker fuel consumption wherever possible;
- modification of the rotation of some of our lines to introduce ports of calls in which refueling can be done more cheaply;
- increasing the frequency of key maintenance actions, such as propeller and hull cleaning, that reduce fuel consumption;
- better control of transshipment and container pick-up and drop-off fees;
- entry into cooperation agreements with other industry participants to reduce the number of loops operated by our vessels while maintaining our level of service, hence lowering slot costs and increasing asset utilization levels;

- acquisition of direct ownership of a network of shipping agencies and other strategic assets in our logistical chain and outsourcing of certain back-office operations to shared service centers in India and China to reduce transaction costs and fees paid to third parties; and
- entry into agreements with third-party suppliers of IT services to develop specialized maritime applications for increased efficiency, such as the centralized system we use to monitor and control our entire fleet.

Our operating costs declined relative to total volumes transported throughout the period due to these cost-reduction measures. Our total volumes transported for the nine months ended September 30, 2013 was 8.5 million TEU, compared with 7.9 million TEU for the nine months ended September 30, 2012, an increase of 7.0%, while our operating expenses increased by 2.0%, from $10,920.0 million for the nine months ended September 30, 2012 to $11,136.7 million for the nine months ended September 30, 2013. Total volumes transported for the year ended December 31, 2012 were 10.6 million TEU, an increase of 5.9% compared to total volumes transported for the year ended December 31, 2011, while operating expenses were stable at $14.6 billion.

Transport Volumes and Freight Rates; Cyclical Nature of Supply and Demand; Impact of the Global Financial and Economic Crisis

Freight rates are cyclical in nature as the container shipping industry is highly dependent on the balance between demand for container shipping services and the supply of vessel and container capacity.

To the extent that the supply-demand balance shifts, freight rates are subject to volatility. The demand for container shipping services is primarily driven by global and regional economic growth, geopolitical events, the shift in manufacturing from higher-cost developed countries in North America, Europe and Japan to lower-cost countries predominantly in Asia, including China and India, and changes in the regulatory regimes affecting shipping. Changes in the demand for container shipping services (including in our main markets in the Americas, Asia, Africa and Europe) are difficult to predict and generally beyond our control. The global supply of vessel and container capacity is determined by the number and size of container ships in the world (including the charter market), their deployment into trades, the way they are operated, the delivery of new ships, which typically involves considerable lead time, the conversion of containerships to other uses and the scrapping of older ships as well as the availability of containers. The market is currently oversupplied as a result of the high levels of new ordering which occurred between 2006 and 2008, and again since mid-2010, with the exception of restrained ordering activity in late 2011 and early 2012. According to the Drewry Q3 2013 report, the current orderbook for new vessels for deliveries from October 2013 onwards represents approximately 21% of current capacity and is heavily skewed towards larger vessels, which have the greatest impact on the supply to demand balance.

Container shipping freight rates on different services and directions of transport are subject to varying levels of volatility, primarily driven by the perception of market participants as to the balance between the demand for container shipping services and the global and regional supply of vessel and container capacity as well as shipping companies' marketing strategies combined with their breakeven levels. Historically, freight rates on the Transatlantic trade tended to be more stable compared to those on other trades, with freight rates on the Transpacific and the Far East trades showing the highest levels of volatility. Structural constraints, such as vessel draught and berth length, limit the ability of carriers, including our Company, to quickly redeploy vessels from one trade to another in response to fluctuations in freight rates.

During the period under review, the cyclical nature of our industry was particularly pronounced, in large part due to the effect of the global economic and financial crisis that began at the end of 2008, compounded by the fact that carriers then had a significant orderbook for vessels. The crisis exacerbated volatility in the container shipping market, leading to severe supply-demand imbalances, increased volatility, downward pressure on freight rates and significant overcapacity throughout the period under review.

Whereas volume growth rates had reached double digits in 2006 and 2007, global container shipping transport volumes decreased by approximately 9% in 2009, as compared with 2008, in line with our transport volumes.

Both transport volumes and freight rates substantially improved in 2010. We experienced a 14.7% increase in transport volumes in 2010 as compared to 2009, exceeding the overall global container shipping transport volumes which increased by approximately 13% over that period. Our average revenue per TEU transported in 2010 increased by 18.2% to $1,580.6, as compared to average revenue per TEU of $1,337.6 in 2009.

In 2011, our volumes transported increased by approximately 11% as compared to 2010, while the industry grew by approximately 10%. At the same time, pressure remained on the freight rates as the usual summer peak season freight rate increase failed to materialize and freight rates declined significantly during the remainder of the year. Our average revenue per TEU transported in 2011 decreased by 6.1% to $1,484.6, as compared to average revenue per TEU of $1,580.6 in 2010.

In 2012, our volumes transported increased by 5.9% as compared to 2011, above the industry average of approximately 4.7%, while the decline in freight rates began to stabilize. Our average revenue per TEU transported in 2012 increased by 1.2% to $1,501.8 as compared to average revenue per TEU of $1,484.6 in 2011.

Since the beginning of 2013, freight rates have remained volatile. For the nine months ended September 30, 2013, our average revenue per TEU transported was $1,403.7, while our volumes increased by 7.0%. See "*Industry Overview—Containership Demand*," "*—Containership Supply*" and "*—Container Freight Rates*" for a more detailed discussion of the trends in transport volumes and freight rates.

Charter rates are also impacted by freight rates and, therefore, to the extent there is volatility in freight rates, our costs may be impacted. For example, we were able to negotiate relatively low charter rates for short-term charter agreements entered into in 2009 when freight rates were overall low. In 2010, we maintained these low charter rates despite the increase in freight rates. In 2011 and 2012, charter rates remained relatively low. Because such relatively low charter rates have been prevailing for over 18 months (and indeed over several years) now, we do not anticipate significant further reductions in our charter costs upon renewal of our charters. We would not expect charter rates to decrease significantly further. Of our 341 ship charters, 278 mature on or before September 30, 2014.

Seasonal Fluctuations

We experience a number of factors that cause seasonal fluctuations in transport volumes, including increased demand for shipping services in the third and fourth quarters of the year in advance of the major western holidays and weaker demand in the first quarter, reflecting the decrease in consumer spending in the western countries as well as restrained manufacturing activities in China due to the Chinese New Year celebrations. As a result of these seasonal fluctuations, our cash flows from operations and revenue have historically not been evenly distributed throughout the year. During the period under review, however, increased volatility in the container shipping industry has attenuated historical seasonal trade patterns. For instance, in 2011, the third quarter peak season did not materialize, and we instead experienced a continuous decline in freight rates through the second half of the year.

Currency Fluctuations

We operate on a worldwide basis and are exposed to currency exchange rate fluctuations as a result of differences in the currency mix of our revenue and operating expenses. In addition, some of our financing arrangements are denominated in euro. To the extent the proportion of revenue denominated in U.S. dollars, or euro) differs from the proportion of operating expenses denominated in U.S. dollars, or euro), our operating results are subject to foreign exchange risk. At present, we incur a greater proportion of our operating expenses denominated in euro compared to the proportion of our revenue denominated in euro and, as such, we are particularly sensitive to increases in the value of the euro.

We are not exposed to material foreign exchange risks on our capital commitments, since vessel and container financing arrangements are usually U.S. dollar-denominated and our vessels and containers are principally purchased in U.S. dollars, including those vessels acquired under the terms of long-term capital leases or other similar arrangements. Our terminal capital commitments are usually in local currencies and hence may expose us to some foreign exchange risks.

In line with the industry practice, we typically charge our customers currency surcharges in times of volatility in foreign exchange rates. However, there can be no guarantee that we will be in a position to enforce such surcharges going forward. See "*—Market-related risks—Foreign currency exchange rate risk*."

Fluctuations in Bunker Fuel Rates and Efficiency in Bunker Fuel Consumption

The cost of marine or bunker fuel is our principal operating cost, representing 24.1% and 22.3% of our revenue in the year ended December 31, 2012 and the nine months ended September 30, 2013, respectively. The price of marine or bunker fuel fluctuates largely in line with crude oil prices, which are subject to a number of economic and political factors.

The rising global demand for crude oil, the economic development of emerging markets, particularly China and India, and a geopolitical risk premium due to instability in the Middle East and other disruptions in oil-producing countries have caused significant upward pressure on the price of crude oil, which has led to corresponding increases in the price of bunker fuel. For example, the ARA (Antwerp, Rotterdam, Amsterdam) spot price for bunker fuel (IFO 380 CST) was \$576 per ton on December 31, 2012 and \$603 per ton on March 28, 2013. Certain of these factors, such as political instability, also increase the volatility of bunker fuel prices. For example, the Rotterdam spot price for bunker fuel (IFO 380 CST) was \$565 per ton in November 2013, \$640 per ton in February 2013, \$719 per ton on June 2012 and \$167 per ton on January 2, 2009.

In order to mitigate the risk of increased bunker fuel prices, we seek to hedge our exposure to bunker prices through:

- physical forward purchases on a rolling twelve-month basis. This represented approximately 14% of our anticipated bunker fuel consumption for 2012 and 8% of our anticipated bunker fuel consumption in the first nine months of 2013; and
- "over-the-counter" derivative instruments such as short-term commodity swaps and options.

As of December 31, 2012, approximately 3% of our anticipated bunker fuel consumption for 2013 was hedged. We estimate that, for 2012, a \$50 per ton increase in the spot purchase price of bunker fuel would have negatively impacted our operating profit by approximately \$280 million (exclusive of the impact of any hedges), assuming we would have not been able to pass any of the increase on to our customers.

We have sought to improve our efficiency in terms of bunker fuel consumption. This has been achieved through a number of measures, including reducing the speed and optimizing route management for our ships via a central real-time supervision center, increasing the size of our vessels where possible and retrofitting and maintaining our ships with a view to minimizing bunker fuel consumption. These measures have reduced our average consumption of bunker fuel from 0.65 ton per transported TEU in 2010 to 0.61 in 2011, to 0.54 in 2012 and to 0.50 for the nine months ended September 30, 2013. We believe we may be able to further reduce average consumption of bunker fuel through continued and intensive usage of these techniques.

Management of Vessel and Container Capacity

Our container shipping revenue is largely the product of market-driven base freight rates and transport volumes over which we have relatively limited control. Accordingly, our profitability depends largely on our ability to identify profitable business and services, maintain and manage our fleet in order to further improve our productivity and effectively manage the cost of transportation and materials and other operating costs, in particular in respect of the positioning and transport of containers and the coordination of third-party services, such as inland transportation services.

We have also set up a single ship operating center staffed by a team of experienced officers that oversees our entire fleet of 430 vessels. This center monitors speed and route requirements and has direct access to every officer on board of those vessels so that any deviation from schedule may be immediately challenged and, if need be, rectified. The team is also in charge of improving fuel efficiency and the punctuality of all our lines.

As is customary in the container shipping industry, to meet the demand for container shipping services from our customers, we rely on a combination of owned vessels and chartered and leased vessels and owned and leased containers. We seek to optimize the mix of owned, long-term chartered and leased and short- and mid-term chartered vessels and containers to maintain a stable base capacity and to be able to obtain additional capacity in response to demand peaks. As of September 30, 2013, we operated a fleet of 430 ships, with capacity ranging from 120 TEU to 16,022 TEU, of which we owned 81, chartered 36 with a remaining lease term ranging between one and five years, chartered 35 with a remaining lease term of more than five years and chartered 278 with a remaining lease term of less than one year outstanding. Short-term charters provide us with flexibility to adjust our capacity rapidly in response to changes in demand, although we are exposed to increase in charter rates given our share of chartered fleet. Since short-term charter rates, in particular, tend to fluctuate significantly in response to supply and demand in the market, we are able to reduce our costs on a significant part of our fleet while maintaining operational flexibility to release ships in case of market deterioration. This has allowed us to reduce our costs significantly in the past years. The effect of changes in charter rates on our operating costs tends to lag behind the movements in charter rates as charter contracts are typically entered into at fixed rates for specified periods of time.

As of September 30, 2013, we operated an inventory of 1.45 million individual containers, equivalent to a total of 2.25 million TEU. We own 21% of such containers, which are recorded on our balance sheet, and lease or rent the remaining part.

Cooperation Arrangements

We cooperate with other carriers in various ways with a view to increasing utilization levels of our vessel and container fleet, thus decreasing slot costs, and extending the range and geographic scope of our services. We are party to an array of cooperation agreements and also members of several operational alliances. We have placed increased emphasis on such arrangements during the period under review in order to better adjust our capacity and control our costs in light of difficult market conditions. These arrangements cover only the operation of our vessels and related assets. Under all of these arrangements, we continue to market and sell our services and to serve our customers independently.

We operate most of our lines in varying degrees of cooperation with other carriers, such as Maersk, MSC, Hapag-Lloyd and CSAV, pursuant to vessel-sharing agreements, swap agreements or slot purchase agreements. Under these agreements, one carrier makes available to another a fixed number of slots per voyage on specified trade routes, for an agreed period of time. We compensate the other carrier for slots made available to us either by providing the carrier with slots on our vessels (vessel-sharing agreements and swap agreements) or by purchasing the slots directly (slot purchase agreements). Our cooperation agreements consist of the following:

- vessel-sharing agreements, whereby each carrier contributes vessels to a particular line, and each carrier is entitled to a number of slots on each vessel traveling the line, proportionate to its vessel contribution. In these cases, we record revenue related to the slots utilized by us on the other carrier's vessel, but we do not record revenue with respect to slots that are utilized by the other carrier on our vessels. The costs of operating the vessel (*e.g.*, vessel charter, capital lease or purchase expenses, supply expenses and port costs and canal expenses) are borne by the operator of the vessel. Costs associated with the shipment of the container (*e.g.*, stevedoring expenses) are billed by the supplier of the related services to each carrier individually. However, it is customary for carriers to purchase these services from the same service provider.
- swap agreements, whereby carriers exchange slots on vessels traveling different trade routes, allow each carrier to establish a line on a trade route where it does not operate vessels. Revenue received and costs incurred are borne in the same manner as under vessel-sharing agreements.
- slot purchase agreements, whereby carriers purchase slots on vessels of another carrier. When we purchase slots under slot purchase agreements, our only costs are payments made to the other carrier for the purchase of slots. We do not bear any of the costs associated with the vessel or shipment of the container. These agreements are not necessarily reciprocal, unlike vessel-sharing and swap agreements, and our slot purchases are not netted against our slot sales.

Operational Alliances

Alliances are agreements that cover vessel-sharing and operational matters such as the use of certain terminals, where carriers can take advantage of favorable terms for berthing. These alliances allow us to make more frequent departures, reach more ports, improve slot utilization and increase reliability while reducing slot costs. We currently participate in an alliance comprising us, Maersk and MSC and covering the Transpacific route, an alliance with Maersk covering the Asia-Europe (Mediterranean) route and an alliance with MSC covering the Asia-Europe (Northern Europe) route. We are not currently party to any of the existing three main global alliances. See "*Industry Overview—Consolidation, Partnerships and Global Alliances.*"

We recently announced our P3 alliance with both Maersk and MSC, which, if it receives the necessary regulatory approvals, will take effect in six of the largest mature markets, including Asia-Northern Europe, Asia-Mediterranean, Asia-U.S. west coast, Asia-U.S. east coast, Transatlantic North and Transatlantic South.

Explanation of Key IFRS Income Statement Line Items

The following explanation of our key income statement line items is based upon and relates solely to our consolidated financial statements prepared in accordance with IFRS.

Revenue

Revenue includes revenue from container shipping revenue and revenue from other activities.

Container Shipping Revenue. Container shipping revenue constitutes the largest proportion of our revenue and represented 92.4%, 92.6% and 92.5% of total revenue in 2011, 2012 and the first nine months of 2013, respectively. Container shipping revenue includes all revenue related to maritime transportation of containers, and is principally driven by freight rates and shipped volumes, but also includes revenue from other activities related to maritime container transportation, such as sales of slots, demurrage and storage (the fees we charge an importer for making use of our containers on our terminals or container yards beyond the customary grace period), as well as revenue related to the handling of containers and to the coverage of bunker fuel or currency valuation.

Freight rates are market-driven, and carriers have limited flexibility to establish rates independently of the freight market. Our rates for freight shipping services are generally based upon a group-wide pricing structure tailored for the origin and destination points selected by the shipper, the volume being shipped and any applicable surcharges. Most of the ports at which we call on a regular basis are "base ports," or ports that have been defined by the applicable liner conference as primary ports of call. We generally charge a higher freight rate for shipments to or from ports that are not considered base ports. We also charge higher freight rates for more complex journeys, as the costs related to these journeys are generally greater. In addition, base freight rates differ depending upon whether the container utilized is a standard container or a specialized container, such as a reefer. Base freight rates are increased in certain circumstances by company-determined surcharges for shipments of dangerous cargo, special equipment, overweight containers, break bulk and open-top cargo, as these containers require more complex handling and services and are generally subject to greater risk of damage.

We establish base freight rates on a line-by-line basis and these rates vary widely depending upon the line and the direction of the voyage. For example, in 2012, our average freight rate on our Asia-Europe eastbound voyages was $914 per TEU, while our average freight rate on our Asia-Europe west-bound voyages was $1,958 per TEU. However, the level of base freight rates for a particular line does not necessarily have a direct relation to the contribution of that line to our operating income, as line-specific operating income is affected by fixed and variable costs, as well as the capacity utilization of vessels deployed, all of which differ among lines. Because freight rates can vary significantly from line to line, the mix of our lines in any given period can have a significant effect on the average freight rate (and revenue and profitability) during that period.

We also charge our customers various surcharges to reduce our exposure to certain market-related risks and extraordinary events. We periodically establish surcharges to our base rates in accordance with certain adjustment factors consistent with industry practice. In connection therewith, we review bunker fuel rates, currency exchange rates, port congestions, and war risks and other extraordinary risks, and determine the related applicable rate-adjustment factors. Our ability to achieve profitable freight rates depends largely on general market conditions on a particular trade route, on the perceptions of market participants with regard to the level of structural imbalance between the dominant and non-dominant legs and on the service offered. Typically, the freight rates for special and individualized services are comparatively higher and we negotiate on an ad hoc basis cargo-specific charges related to shipments of hazardous cargo, shipments requiring special equipment (such as reefers) or overweight or oversized containers requiring special handling. Beyond a certain allowance, we also charge our clients for the number of days they retain our containers outside or within their premises.

We generally have greater pricing power on the dominant legs of a trade than on the non-dominant legs. Our ability to select profitable cargoes and our ability to rely on contracted volumes at a pre-agreed rate, combined with our diversified geographical mix of trades, are critical to allow us to reduce the impact of freight rates volatility.

Revenue from Other Activities. Revenue from other activities includes land and river transportation and port terminal operations. A typical container delivery includes both ocean shipment and inland transport legs. Beyond our primary activity of port-to-port container shipping services, we also provide door-to-door transportation services to our customers. In these cases, we either provide for the inland transportation of the container via our own rail and barge operations, or, as is more common, we sub-contract for rail, barge or trucking services from other companies. Revenue from other activities also includes logistics revenue, which is primarily derived from the transfer of containers from ships to other transport or storage facilities in port at our owned or jointly-owned terminal operations, agency revenues such as bill of lading, documentation fees or forwarding commissions, rentals of offices or containers and other miscellaneous items.

Revenue from other activities revenues represented 7.6%, 7.4% and 7.5% of total revenue in 2011, 2012 and the first nine months of 2013, respectively.

Operating Expenses

The principal components of our operating expenses under IFRS are described below.

Bunkers and consumables. Bunkers and consumables expenses consist of the costs of purchasing bunker fuel and costs of other supplies, such as lashing material for on-board containers, fuel for on-board diesel generators and auxiliary motors, and paint for our vessels. Bunkers and consumables expenses represented 26.1%, 24.1% and 22.3% of our revenue in 2011 and 2012 and the first nine months of 2013, respectively. The primary component of bunkers and consumables during the period under review was the purchase of bunker fuel, which amounted to $3,845.1 million, or 97.9% of our bunkers and consumables expenses, in 2012. The principal factors that determine the amount of bunker fuel we purchase during a given period are the number, size and speed of our vessels. In 2012, we purchased 5.7 million tons of bunker fuel at an average price of $663.5 per ton. The price we pay for bunker fuel has historically been volatile.

Chartering and slot purchases. These costs represented 13.0%, 11.0% and 11.1% of our revenue in 2011, 2012 and the first nine months of 2013, respectively. Chartering expenses consist of costs of chartering our vessels from third parties. Slot purchases consist of the costs associated with slot purchasing resulting from some of our cooperation agreements. In certain circumstances, we purchase slots on vessels of other carriers in order to establish a line where we are not present and where we do not believe it is cost-effective to deploy our own vessels. We generally do not purchase more than approximately 500 TEU per scheduled sailing, as we believe that above this volume level it is likely to be cost-effective to deploy our own vessel. As of September 30, 2013, we operated 16 of our 129 main lines through the purchase of slots on the vessels of third-party carriers. The cost of chartering our vessels is the primary component of chartering expenses. Our chartering expenses are principally driven by a combination of three factors: market charter rates, changes in the size and composition of our fleet and the time at which and duration for which a given charter rate is set. Ship charter rates have historically fluctuated significantly. We generally seek to own or charter on a long-term basis strategic vessels, *i.e.*, larger (post-Panamax) or specially designed vessels, which are difficult to obtain at cost-effective rates in the charter market, and to charter on a short-term basis our smaller vessels, *i.e.*, with capacity exceeding 5,000 TEU or less, which are more readily available. As of September 30, 2013, we chartered 349 vessels, or 65.6% of our capacity, of which we chartered 35 vessels with a remaining charter duration of more than five years, or 15.5% of our capacity, 36 vessels with charter life of less than five years and more than one year, or 10.3% of our capacity, and 278 vessels on a short-term basis, or 39.8% of our capacity, and owned 81 vessels, or 34.4% of our capacity. We do not incur additional costs for crew provisioning, maintenance, repair or hull insurance with respect to vessels we charter. Chartering expenses do not include the costs of our owned vessels. See "*Risk Factors—Risks Relating to Our Business—Fluctuations in ship charter rates may adversely affect us and our financial performance*."

Handling and stevedoring. Handling and stevedoring expenses, which are charges by terminal operators for the loading and unloading of containers and related services, represented 21.5%, 21.4% and 22.3% of our revenue in 2011 and 2012 and the first nine months of 2013, respectively.

We contract stevedoring services principally from third-parties. We generally hire these services under two-to three-year contracts on a port-by-port basis. Where possible, we attempt to lower stevedoring costs per TEU by negotiating volume discounts, by leveraging our size in our negotiations with port service providers and by increasingly utilizing 40- and 45-foot containers. These larger containers permit us to ship cargo with fewer container movements, resulting in lower stevedoring expenses.

Transportation. Transportation expenses relate to on-carriage or pre-carriage of full containers loaded on our vessels. Containers can be loaded on trucks, barges or rail. Transportation expenses represented 10.0%, 9.6% and 10.4% of our revenue in 2011, 2012 and the first nine months of 2013, respectively.

Port and canal. Port and canal expenses consist of charges we pay to ports, on a per-call basis, for a variety of services, including: berthing, tug services, sanitary services and utilities, and payments made to canal operators, on a per-passage basis, for use of the canal. Canal expenses are primarily attributable to passages through the Suez Canal and the Panama Canal. Port and canal expenses represented 7.0%, 6.5% and 6.9% of our revenue in 2011, 2012 and the first nine months of 2013, respectively.

Logistic. Logistic expenses relate mainly to the cost of our fleet of containers and include such items as container and chassis rental, container and chassis maintenance and repairs as well handling in depots, empty container transportation and storage. Logistic expenses represented 7.1%, 7.2% and 7.6% of our revenue in 2011, 2012 and the first nine months of 2013, respectively.

Employee benefits. Employee benefits expenses consist of the salaries and other employee benefits, including social security payments, of our administrative personnel, our navigating staff, the personnel of our consolidated shipping agencies and stevedores at our port terminal operations. Employee benefits represented 7.5%, 6.8% and 7.0% of our revenue in 2011, 2012 and the first nine months of 2013, respectively. Our employee benefit costs related to our owned vessels that are staffed by French officers and French crew are generally higher than our personnel costs related to vessels where we hire officers and crew from a third-party employment agency. Our employee benefits do not include the costs of the crew of our chartered vessels as those crew are provided for by the chartering party and their resulting costs included in the charter rates.

General and administrative expenses. General and administrative expenses other than employee benefits include third party agency and forwarder commissions, auditor fees, legal, consultancy, IT and other professional services, rental and non-operating lease expenses, other taxes, communication costs, insurance and other miscellaneous costs. General and administrative expenses other than employee benefits represented 4.2%, 3.9% and 3.8% of our revenue in 2011, 2012 and the first nine months of 2013, respectively.

Other Expenses

Amortization of NPV benefit related to assets. We frequently use capital lease financings to acquire our vessels. We record any ship leased pursuant to these financings at its cost as of the date of purchase as an asset on our consolidated balance sheet. The net present value of future lease payments due to the lessor under the lease agreement with respect to such ship is recorded as a liability on our consolidated balance sheet under "*Financial debt*." Several of our subsidiaries have entered into capital lease financing structures designed to take advantage of certain benefits under the tax laws of the United Kingdom, France or Singapore. These benefits are granted to the lessor of the ships in question, but are also passed on in part to our subsidiaries that are parties to the lease agreements in the form of lower lease payments and/or, in some instances, a more favorable final purchase price.

Where such financings benefit from a tax advantage, the net present value of the related lease payments is lower than the amount recorded as an asset with respect to the ship to which these payments relate, as the net present value reflects the benefits passed on to us as a result of the tax structure of the financing. The excess of the amount recorded with respect to the ship as an asset over the net present value of the corresponding lease payments recorded as a liability is recorded as a liability on our balance sheet under the heading "*Deferred income*."

Amounts recorded as deferred income are reduced by amortization over periods of time varying from 8 to 12 years depending on finance lease structures. The total by which these amounts are reduced each year is included in our consolidated statements of income under the heading "*Amortization of NPV benefit related to assets*," where it is a non-cash item that effectively serves to reduce operating expenses and therefore increases our net income.

The lease payments we make to the lessor with respect to a ship are recorded according to the character of the payment. Principal payments on capital leases are recorded as a cash outflow on our cash flow statement under the heading "*Principal repayments on finance leases*." Interest payments on capital leases are recorded as a cash expense item on our income statement and allocated under the heading "*Cost of net debt*."

Cost of net debt. Cost of net debt includes interest expense on financial debt, interest income from cash and cash equivalents, and securities and realized foreign currency exchange gains and losses on cash and cash equivalents and financial debt.

Other financial items. Other financial items consist of changes in the fair value of derivative instruments that do not qualify for hedge accounting, changes in fair value of securities and unrealized foreign currency exchange gains and losses on financial debt as well as restructuring fees paid to our banks.

Income tax. We are subject to the French tonnage-based taxation scheme (the "tonnage tax regime") pursuant to Article 209-0 B of the French Tax Code. Comparable tax regimes exist in several other European countries. The French regime was approved by the European Commission on May 13, 2003. For French corporate income tax purposes,, our taxable income in respect of our container shipping activities is calculated by reference to the tonnage of our container vessels (subject to the application of some specific adjustments), irrespective of actual income earned, as long as at least 75% of our turnover is derived from the operation of our vessels while our taxable income in respect of our other operations is determined as per standard French corporate income tax rules. We made an initial election in 2004 to participate in this regime. The election is made for an irrevocable ten-year period and is renewable at the term of such period. We reelected to participate in the tonnage tax regime in 2013. In order to remain within the tonnage tax regime, the vessels we operate must be managed in France. In addition, we had to commit ourselves to increasing or at least maintaining under flags of EU Member States a specified proportion of tonnage. Should we fail to respect that last requirement, we will have to exclude from the tonnage tax regime the proportion of the non-EU flagged vessels we operate that cause us to fall below the minimum, save for the application of an exception. More generally, failure to comply with the other requirements of the tonnage tax regime may result in this regime being terminated, in which case we will have to add-back to our taxable income of the fiscal year during which the regime is so terminated an amount equal to the sum of our taxable incomes (before any adjustment) of the previous fiscal years determined as per the tonnage tax regime rules.

Nine-month period ended September 30, 2013 compared with nine-month period ended September 30, 2012

Revenue

Consolidated revenue increased by $41.1 million, or 0.3%, from $11,949.1 million in the first nine months of 2012 to $11,990.2 million in the first nine months of 2013, primarily due to a 0.3% increase in container shipping revenue and a 0.6% increase in revenue from other activities.

Transported volumes increased by 7.0%, from 8.0 million TEU in the first nine months of 2012 to 8.5 million TEU in the first nine months of 2013. The increase in volumes was mainly attributable to our main East-West lines, principally those calling to the United States and our Asia-Europe (North Europe, Mediterranean) lines, as well as, to a lesser extent, our main North-South lines, and increased activity of our Australian National Line subsidiary and our Cheng Lie Navigation subsidiary, which focuses on intra-Asia trades.

Average container shipping revenue decreased by 6.2%, from $1,385 per TEU in the first nine months of 2012 to $1,299 per TEU in the first nine months of 2013. During the first nine months of 2013, we experienced significant volatility in freight rates, which resulted, on average, in lower freight rates during that period compared to the first nine months of 2012.

Revenue from other activities increased by 0.6%, from $888.9 million in the first nine months of 2012 to $894.0 million in the first nine months of 2013, primarily due to increased revenue from our agency network and our intermodal activities. These increases were partially offset by the decrease in revenue resulting from the sale of a 49.0% shareholding in Terminal Link, as we accounted for our interest in Terminal Link under the equity method from June 1, 2013.

Operating Expenses

General. Operating expenses excluding depreciation increased by $216.7 million, or 2.0%, from $10,920.0 million, corresponding to a 91.4% share of revenue, in the first nine months of 2012 to $11,136.7 million, corresponding to a 92.9% share of revenue, in the first nine months of 2013.

Bunkers and consumables. Bunkers and consumables decreased by 8.1%, or $235.1 million, from $2,909.0 million, corresponding to a 24.3% share of revenue, in the first nine months of 2012 to $2,673.9 million, corresponding to a 22.3% share of revenue, in the first nine months of 2013.

This decrease was mainly related to an 8.3% decrease in our bunker costs, including bunker swaps and settlement, from $2,852.7 million in the first nine months of 2012 to $2,617.2 million in the first nine months of 2013. This decrease reflected the continuation of our fuel efficiency efforts, as our aggregate consumption of bunker fuel increased by 1.0% period-on-period while volumes transported increased by 7.0%. In addition, our average bunker rate decreased from $668 per ton in the first nine months of 2012 to $607 per ton in the first nine months of 2013, a $61 per ton, or 9.1%, decrease.

Stores and lubricating oil remained stable at $56.3 million in the first nine months of 2012 and $56.7 million in the first nine months of 2013.

Chartering and slot purchases. Chartering and slot purchases increased by $22.2 million or 1.7% from $1,306.9 million in the first nine months of 2012 to $1,329.1 million in the first nine months of 2013, a slight increase in percentage of revenue from 10.9% of revenue for the first nine months of 2012 to 11.1% of revenue for the first nine months of 2013. Chartering expenses remained flat at $1,123.9 million in the first nine months of 2012 and $1,123.6 million in the first nine months of 2013, mainly because lower charter rates compensated for a 7.8% increase in the chartered fleet size, from 928,000 slots for the first nine months of 2012 to 1.0 million slots for the first nine months of 2013. Slot purchases and other fixed expenses increased by 12.3%, from $183.0 million in the first nine months of 2012 to $205.5 million in the first nine months of 2013, due to our increased use of cooperation arrangements with third-party carriers as part of our cost reduction and efficiency initiatives.

Handling and stevedoring. Handling and stevedoring expenses increased by $139.0 million, or 5.5%, from $2,537.7 million in the first nine months of 2012 to $2,676.7 million in the first nine months of 2013, mainly related to the increase in volumes carried during the period. Handling and stevedoring expenses accounted for 22.3% of revenue in the first nine months of 2013 and 21.2% of the revenue in the first nine months of 2012. Stevedoring of full containers increased by 5.2%, from $2,125.0 million to $2,235.8 million while stevedoring of empty containers increased by 6.9%, from $412.7 million to $441.0 million.

Transportation. Transportation expenses increased by 7.9%, from $1,152.8 million in the first nine months of 2012 to $1,244.1 million in the first nine months of 2013. Transportation expenses accounted for 10.4% of revenue in the first nine months of 2013, compared to a share of 9.6% of revenue in the first nine months of 2012. This increase mainly related to a 4.3% increase in expenses related to our use of third-party feeder carriers to support our main lines, from $195.4 million in the first nine months of 2012 to $203.7 million in the first nine months of 2013, and an 8.8% increase in land transportation costs, from $954.3 million in the first nine months of 2012 to $1,038.3 million in the first nine months of 2013, principally due to increased volumes transported.

Port and canal. We experienced an 8.1% increase in port and canal expenses, from $761.2 million in the first nine months of 2012 to $823.2 million in the first nine months of 2013. Port and canal expenses accounted for 6.9% of revenue in the first nine months of 2013 and 6.4% of revenue in the first nine months of 2012. The increase was mainly due to a 15.0% increase in port expenses, from $451.8 million in the first nine months of 2012 to $519.6 million in the first nine months of 2013, while canal costs decreased by 1.9%, from $309.5 million in the first nine months of 2012 to $303.6 million in the first nine months of 2013.

Logistic expenses. Logistic expenses increased by 9.2%, from $836.5 million in the first nine months of 2012 to $913.3 million in the first nine months of 2013. Logistic expenses accounted for 7.0% of revenue in the first nine months of 2012, compared to a 7.6% share of revenue in the first nine months of 2013. This increase resulted mainly from the increase in volumes transported during the period and was principally related to:

- a 9.2% increase in rental of containers and chassis, from $421.5 million in the first nine months of 2012 to $460.4 million in the first nine months of 2013, while the fleet of rented containers increased by 6.0% from 1.7 million TEU to 1.8 million TEU;
- a 6.8% increase in container maintenance and repairs, from $72.4 million in the first nine months of 2012 to $77.3 million in the first nine months of 2013; and
- a 9.6% increase in handling in depots, empty container transportation and storage, from $342.6 million in the first nine months of 2012 to $375.6 million in the first nine months of 2013.

Employee benefits. Employee benefits increased by $29.1 million, or 3.6%, from $808.7 million in the first nine months of 2012 to $837.8 million in the first nine months of 2013, reflecting a $16.0 million decrease from the deconsolidation of Terminal Link and a $7.9 million increase due to currency exchange rate fluctuations, with the remainder being due to incentive and wage increases. Employee benefits accounted for 7.0% of revenue in the first nine months of 2013 and 6.8% of revenue in the first nine months of 2012.

General and administrative expenses. General and administrative expenses increased by $1.0 million, or 0.2%, from $459.3 million in the first nine months of 2012 to $460.4 million in the first nine months of 2013. General and administrative expenses accounted for 3.8% of revenue in each of the first nine months of 2012 and 2013.

Additions to provisions and allowances, net of reversals. Addition to provisions and allowances, net of reversals, increased by $21.3 million, from a cost of $20.0 million in the first nine months of 2012 to a cost of $41.3 million in the first nine months of 2013, as a consequence of a $17.5 million provision for various internal reorganizations and provisions in an aggregate amount of $13.0 million for various litigation matters.

Operating exchange gains. We recorded operating exchange gains of $12.6 million in the first nine months of 2012, compared to $13.5 million in the first nine months of 2013.

Other operating expenses. Other operating expenses increased by 7.1%, from \$140.5 million in the first nine months of 2012 to \$150.4 million in the first nine months of 2013, principally reflecting the write-off in 2012 of an account payable following renegotiation with one of our suppliers.

Gains and losses on disposal of property and equipment and subsidiaries. Gains and losses on property and equipment and subsidiaries increased by \$16.9 million, from \$293.9 million in the first nine months of 2012 to \$310.8 million in the first nine months of 2013, mainly resulting from a \$301.1 million gain on the sale of a 49.0% shareholding in our Terminal Link subsidiary.

Operating income before depreciation, amortization, income from associates and joint ventures and other non-cash operating items

As a result of the foregoing, operating income before depreciation, amortization, income from associates and joint ventures and other non-cash operating items increased by \$118.4 million, from \$1,045.9 million in the first nine months of 2012 to \$1,164.3 million in the first nine months of 2013.

Depreciation and amortization of non-current assets. Depreciation and amortization of non-current assets increased by 4.36%, from \$305.0 million in the first nine months of 2012 to \$318.3 million in the first nine months of 2013, principally due to an increase in our vessel fleet with the delivery of three large container ships in the first nine months of 2013, resulting in additional depreciation expenses.

Other income and expenses. We recorded other expenses of \$96.6 million in the first nine months of 2013, compared to \$10.7 million in the first nine months of 2012. This increase was mainly due to a \$59.1 million impairment charge related to the reorganization of our residual portfolio of terminals following the disposal of a 49.0% shareholding in Terminal Link and a \$42.3 million impairment charge due to the renegotiation of certain vessel orders.

Share of profit (or loss) of associates and joint ventures. Our share of profit (or loss) of associates and joint ventures decreased by \$20.4 million from \$31.2 million in the first nine months of 2012 to \$10.8 million in the first nine months of 2013. The decrease results in part from the reversal of a \$10.0 million provision in relation to the Tangiers terminal in the first nine months of 2012. The remainder of the decrease related to Terminal Link (decreased percentage of minority interests in certain terminals and lower performance of such terminals more than offsetting the first time equity method accounting of Terminal Link) and lower income from other terminals.

Cost of net debt. Cost of net debt increased by 8.7%, from \$307.0 million in the first nine months of 2012 to \$333.7 million in the first nine months of 2013, principally as a result of:

- a \$9.2 million decrease in interest expense on financial debt, from \$266.1 million in the first nine months of 2012 to \$256.9 million in the first nine months of 2013, resulting from a decrease in the average principal amount of our financial debt period-on-period;
- a \$28.0 million increase in interest income from cash and cash equivalents, from \$6.6 million in the first nine months of 2012 to \$9.4 million in the first nine months of 2013, as a consequence of increased cash and cash equivalent balances;
- an \$18.3 million increase in financial costs related to debt restructuring, from \$11.7 million in the first nine months of 2012 to \$30.0 million in the first nine months of 2013, as a result of the 2012/2013 Restructuring; and
- an \$18.4 million increase in foreign currency exchange losses, from a loss of \$5.0 million in the first nine months of 2012 to a loss of \$23.4 million in the first nine months of 2013, as a consequence of the appreciation of the euro and translation effects on our euro-denominated debt.

Other financial items. Other financial items changed by \$42.2 million, from a cost of \$53.2 million in the first nine months of 2012 to a cost of \$10.9 million in the first nine months of 2013, principally as a result of:

- a \$12.5 million decrease in interest for deferred payments to shipyards, from \$16.9 million in the first nine months of 2012 to \$4.4 million in the first nine months of 2013;
- a \$3.1 million decrease from changes in fair value of securities from a gain of \$3.4 million in the first nine months of 2012, to a gain of \$0.3 million in the first nine months of 2013;
- a \$2.6 million increase from the disposal of financial assets, from a loss of \$2.2 million in the first nine months of 2012 to a gain of \$0.4 million in the first nine months of 2013;

- a $20.3 million change in foreign currency losses and gains on financial debt, from a loss of $16.9 million in the first nine months of 2012 to a gain of $3.3 million in the first nine months of 2013, mostly resulting from the period-end revaluation of financial debt denominated in euro; and
- a $7.4 million decrease in other financial expenses, from $10.4 million in the first nine months of 2012 to $2.9 million in the first nine months of 2013, due to early termination fees incurred on certain vessel financings upon disposal of such vessels in 2012.

Income tax. Income tax expense increased by $6.4 million, from $49.9 million in the first nine months of 2012 to $56.3 million in the first nine months of 2013.

Profit for the period from continuing operations. Profit for the period from continuing operations increased by 7.8%, from $418.5 million in the first nine months of 2012 to $451.1 million in the first nine months of 2013.

Discontinued operations. We recorded a loss from discontinued operations of $108.8 million in the first nine months of 2012 relating to the disposal of Compagnie du Ponant, which operated our leisure cruise business. There have been no discontinued operations in the first nine months of 2013.

Profit for the period. As a consequence of the foregoing factors, profit for the period increased by 45.7 million from $309.6 million in the first nine months of 2012 to $451.1 million in the first nine months of 2013.

Year ended December 31, 2012 compared with year ended December 31, 2011

The 2011 figures have been restated in this section compared to the section below comparing the year ended December 31, 2011 with the year ended December 31, 2010, to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised as disclosed in Note 2.2 of our audited consolidated financial statements as of and for the year ended December 31, 2012.

Revenue

The components of revenue during the periods under review are set out below:

	Period ended December 31,			
	2011 (restated)		2012	
	($ millions)	Percentage	($ millions)	Percentage
Container shipping	13,734.1	92.4%	14,748.1	92.6%
Other activities	1,135.6	7.6%	1,175.1	7.4%
Total revenue	**14,869.6**	**100.0%**	**15,923.2**	**100.0%**

Consolidated revenue increased by $1,053.6 million, or 7.1%, from $14,869.6 million in 2011 to $15,923.2 million in 2012, reflecting increases in both container shipping revenue and revenue from other activities.

Container shipping revenue increased by $1,014.0 million, or 7.4%, from $13,734.1 million in 2011 to $14,748.1 million in 2012. Volumes transported increased by 5.9%, or 587,000 TEU, from 10.0 million TEU in 2011 to 10.6 million TEU in 2012. Our average container shipping revenue per TEU increased by 1.4%, from $1,371.2 per TEU in 2011 to $1,390.9 per TEU in 2012.

The increase in volumes transported in 2012 compared to 2011 was mainly attributable to a 253,000 TEU, or 4.5%, increase in volumes transported on our main East-West lines, out of which 51,000 related to our Asia-Europe (North Europe and Mediterranean) lines and 210,000 to lines calling to the United States. In addition, we experienced a 227,000 TEU, or 8.5%, increase in volumes transported on our main North-South lines, out of which 222,000 TEU related to our lines calling to Africa and 107,000 TEU related to intra-Asia and Australia trade flows.

Revenue from other activities increased by 3.4% to $1,175.1 million in 2012, compared to $1,135.6 million in 2011, principally due to a $9.0 million, or 0.9%, increase in other transportation revenue, a $27.0 million, or 16.1%, decrease in revenue from logistic activities primarily due to the sale of Malta Freeport and a $31.0 million, or 9.1%, decrease in revenue from other activities, principally reflecting revenue generated by our agency network and intermodal and handling subsidiaries. We accounted for Malta Freeport in accordance with the equity method of accounting from the effective date of the sale in June 2011.

Operating Expenses

Operating expenses during the periods under review are broken down as follows:

	Period ended December 31,			
	2011		2012	
	($ millions)	Percentage of revenue	($ millions)	Percentage of revenue
Bunkers and consumables	3,879.5	26.1%	3,845.1	24.1%
Chartering and slot purchases	1,937.5	13.0%	1,747.8	11.0%
Handling and stevedoring	3,194.3	21.5%	3,401.9	21.4%
Transportation	1,480.4	10.0%	1,533.8	9.6%
Port and Canal	1,039.8	7.0%	1,028.4	6.5%
Logistic	1,056.7	7.1%	1,139.0	7.2%
Employee benefits	1,108.6	7.5%	1,088.8	6.8%
General and administrative other than employee benefits	628.9	4.2%	619.3	3.9%
Subtractions (additions) to provisions and allowances, net of reversals and impairment of inventories and trade receivables	3.2	0.0%	50.8	0.3%
Operating exchange losses/(gains), net	46.4	0.3%	-0.1	-0.0%
Other operating income/(expense), net	187.2	1.3%	163.0	1.0%
Operating expenses	**14,562.6**	**97.9%**	**14,617.8**	**91.8%**

General. Consolidated operating expenses (excluding depreciation) increased by $55.0 million, or 0.4%, from $14,562.6 million in 2011 to $14,617.8 million in 2012. As a percentage of revenue, consolidated operating expenses decreased from 97.9% of revenue in 2011 to 91.8% of revenue in 2012, a decrease which reflected in large part our continuing efforts to reduce costs and improve operational efficiency and a major factor in the increase in our profitability in 2012 compared to 2011.

Bunkers and consumables. Bunkers and consumables expenses decreased by 0.9%, or $34.4 million, from $3,879.1 million in 2011 to $3,845.1 million in 2012. As a percentage of revenue, bunkers and consumables expenses decreased from 26.1% of revenue in 2011 to 24.1% of revenue in 2012. These decreases primarily reflected a 7.1% decrease in our consumption of bunker fuel from 6.1 million tons in 2011 to 5.6 million tons in 2012. We achieved such reduction in our consumption of bunker fuel despite increases in both volumes transported and our average bunker rate during the period. Our average bunker rate increased from $622.0 per ton in 2011 to $663.5 per ton in 2012, a 7.0% increase.

Chartering and slot purchases. Chartering and slot purchases decreased by $189.7 million, or 9.8%, from $1,937.5 million in 2011 to $1,747.8 million in 2012. Chartering and slot purchases accounted for 11.0% of revenue in 2012 compared to 13.0% of revenue in 2011. Chartering expenses decreased by 3.6% from $1,566.4 million in 2011 to $1,510.4 million in 2012, reflecting a decrease in charter rates on renewal of charters, itself due to declining charter rates in the market at large. The size of our chartered fleet increased from 830,000 slots in December 2011 to 936,000 slots in December 2012, a 12.8% increase. Slot purchases decreased by 36.0% from $371.1 million in 2011 to $237.4 million in 2012, principally due to the termination of a slot purchase agreement pursuant to which we had agreed with another carrier to invoice (and correspondingly be invoiced for) the exchange of slots. Because we recorded a corresponding decrease in revenue, this decrease had no material impact on our operating profit.

Handling and stevedoring. Handling and stevedoring expenses increased by 6.5% from $3,194.3 million in 2011 to $3,401.9 million in 2012, mainly related to the 5.9% increase in carried volumes during that period, but remained stable as a percentage of revenue from 2011 to 2012. Stevedoring of full containers increased by 4.6%, or $126.1 million, from $2,723.8 million in 2011 to $2,849.9 million in 2012 while stevedoring of empty containers increased by 17.3%, or $81.6 million, from $470.4 million in 2011 to $552.0 million in 2012. Stevedoring of empty containers does not generate service revenue and as such has a greater impact on our operating profit than stevedoring of full containers for which we charge our clients.

Transportation. Transportation expenses increased by 3.6%, from $1,480.4 million in 2011 to $1,533.8 million in 2012, in line with the increase in revenue during the period. This increase mainly related to a 14.0% increase in third-party feeders from $218.5 million in 2011 to $249.0 million in 2012 and a 1.8% increase in land transportation costs from $1,262.0 million in 2011 to $1,284.8 million in 2012.

Port and canal. We recorded a 1.1% decrease in port and canal expenses from $1,039.8 million in 2011 to $1,028.4 million in 2012. Port and canal expenses accounted for 6.5% of operating revenue in 2012 compared to 7.0% of revenue in 2011.

Logistic expenses. Logistic expenses increased by 7.8%, from $1,056.7 million in 2011 to $1,139.0 million in 2012, but remained stable as a percentage of revenue at 7.1% of revenue during the period. Changes in logistic expenses in 2012 compared to 2011 were principally due to:

- a 14.9% increase in rental of containers and chassis from $494.6 million in 2011 to $568.1 million in 2012, primarily as a result of an increase in the fleet of rented containers;
- a 13.5% decrease in container maintenance and repairs from $115.6 million in 2011 to $100.0 million in 2012; and
- a 5.4% increase in handling in depots, empty container transportation and storage from $446.6 million in 2011 to $470.9 million in 2012, mainly as a consequence of increases in loaded volumes.

Employee benefits. Employee benefits decreased by 1.8%, from $1,108.6 million in 2011 to $1,088.8 million in 2012. Employee benefits accounted for 6.8% of revenue in 2012, compared to 7.5% of revenue in 2011. Foreign exchange rates had a positive impact of $53.0 million over the period and changes in consolidation scope (mainly related to the sale of Malta Freeport and Compagnie du Ponant, both of which we accounted for in accordance with the equity method of accounting from the effective date of the sale) had a positive impact of $13.0 million. Excluding the impact of fluctuations in exchange rates and changes in consolidation scope, the increase in employee benefits amounted to $46.2 million, or 4.2%, over the period.

General and administrative expenses. General and administrative expenses decreased by 1.5% from $629.0 million in 2011 to $619.3 million in 2012. The decrease in general and administrative expenses in 2012 compared to 2011 was primarily due to a decrease in professional fees of $32.3 million from $219.7 million in 2011 to $187.4 million in 2012, principally reflecting a renegotiation of the fee arrangements in connection with our joint venture CMA CGM Systems. We undertook such renegotiation as part of our cost reduction measures.

Additions to provisions and allowances, net of reversals. Addition to provisions and allowance, net of reversals increased by $47.6 million, from $3.2 million in 2011 to $50.8 million in 2012, to include provisions for various cargo claims, none of which were individually significant, and provisions covering certain receivables whose payment we deemed doubtful during the year during a review of receivables at Delmas.

Operating exchange gains/losses, net. Net operating exchange gains/losses changed from a loss of $46.4 million in 2011 to a gain of $0.1 million in 2012. This increase was primarily due to currency exchange rate fluctuations during the period described.

Other operating expenses. Other operating expenses decreased by 12.8%, from $187.2 million in 2011 to $163.0 million in 2012, mainly as a result of the write-off of an account payable following renegotiation with one of our suppliers.

Gains on disposal of property and equipment and subsidiaries

Gains on disposal of property and equipment and subsidiaries decreased from $421.7 million in 2011 to $18.9 million in 2012, representing principally gains on the sale of a 50.0% shareholding in Malta Freeport in 2011 and the disposal of containers in 2012.

Operating profit/(loss) before depreciation, amortization, interest, other financial items and taxes

As a consequence of all of the preceding items, we recorded a profit before depreciation, amortization, interest, other financial items and taxes of $1,324.3 million in 2012, a 81.7% increase compared to $728.7 million in 2011.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets decreased by $4.3 million, from $409.9 million in 2011 to $405.6 million in 2012. This slight decrease mainly reflected the sale of some of our containers in 2012, which caused a corresponding decrease in depreciation of containers under finance leases of $4.2 million from $26.0 million in 2011 to $21.8 million in 2012.

Other income and expense

Other income and expense decreased by $96.8 million, from an income of $51.4 million in 2011 to an expense of $45.4 million in 2012. This decrease was principally due to the fact that we recorded a charge of $13.9 million in 2012, in connection with the impairment of shipyard prepayments, compared to a gain of $49.7 million in 2011, itself related to the reversal of an impairment charge we had previously recorded in connection with cancelled orders for two vessels that were later reconfirmed. The $13.9 million charge we recorded in 2012 related to a provision established with respect to a prepayment made in relation to two cancelled vessel orders that we had previously capitalized. We record an impairment charge with respect to such items when we cancel or re-negotiate the relevant orders with the shipyard and there is significant uncertainty as to whether we will reach an agreed solution with the shipyard.

Amortization of NPV benefit related to assets

NPV benefit related to assets increased by 5.9%, from $90.1 million in 2011 to $95.4 million in 2012, mainly due to the full-year impact of the delivery in April 2011 of vessels financed under tax structured transactions, which resulted in an increase in NPV benefit.

Share of profit/(loss) of associates and joint ventures

We recorded a share of profit of associates and joint ventures of $24.4 million in 2011 and $39.1 million in 2012, in each case related to our interests in terminals (Portsynergy, Malta Freeport) and certain agencies.

Operating profit

As a result of the factors described above, operating profit increased from $484.6 million in 2011 to $1,007.9 million in 2012. With respect to our container shipping operating segment, revenue increased by $1,014.0 million to $14,748.1 million and EBITDA increased by $900.7 million to $1,110.5 million during this period, due mainly to a 5.9% increase in transport volume, a 1.2% increase in average freight rate and a 5.2% decrease in unit cost per TEU. With respect to other activities, revenue increased by $39.6 million and EBITDA decreased by $2.5 million during this period, largely due to the negative impact of the Malta Freeport disposal, which reduced revenue by $23.2 million and EBITDA by $20.1 million.

Cost of net debt

Cost of net debt decreased by 4.8%, from $430.8 million in 2011 to $409.9 million in 2012, principally as a result of:

- a decrease in foreign currency exchange losses from $66.1 million in 2011 to $12.4 million in 2012, due to a translation effect on our euro-denominated indebtedness;
- a 11.8% increase in interest expense on financial debt, from $316.9 million in 2011 to $354.2 million in 2012, principally due to the full-year impact in 2012 of the increased margins applicable as part of the 2010/2011 Restructuring, which became effective in the first half of 2011, as well as the issuance of the existing notes and the refinancing of our then outstanding senior notes that bore a lower coupon than the existing notes;
- a 43.9% decrease in interest income on cash and cash equivalents, from $18.4 million in 2011 to $10.3 million in 2012, primarily reflecting a decrease in cash and cash equivalent balances;
- a decrease in debt restructuring costs from $16.7 million in 2011 to $5.3 million in 2012; and
- a 2.5% decrease in interest rate and foreign currency derivatives, from net costs of $49.5 million in 2011 to net costs of $48.3 million in 2012.

Other financial items, net

Other financial items, net decreased from $84.5 million in 2011 to $3.8 million in 2012, while other financial expense decreased by 21.9%, from $86.7 million in 2011 to $67.7 million in 2012. The principal changes in other financial income and other financial expense in 2012 and 2011 were the following:

- a $46.2 million decrease in interest for deferred payments to shipyards from $64.0 million in 2011 to $17.7 million in 2012.
- gains of $33.4 million in 2011, related to the close-out of certain derivative positions whose termination costs were lower than estimated, for which no comparable amount was recorded in 2012;

- losses from changes in the fair value of derivative positions that did not qualify for hedge accounting decreased by $44.4 million, from $53.0 million in 2011 to $8.6 million in 2012;
- foreign currency exchange gains of $39.9 million in 2011 compared to a loss of $23.1 million in 2012; and
- gains of $72.2 million from repurchases of our outstanding senior notes in 2011.

Income taxes

Income taxes increased by $31.2 million, from $33.5 million in 2011 to $64.7 million in 2012, due to an increase in taxable profit during the period and our having recognized certain tax loss carry-forwards in 2011 for which we had no equivalent in 2012.

Profit for the period from continuing operations

Due to the factors described above, profit for the period from continuing operations increased from $18.2 million in 2011 to $469.4 million.

Discontinued operations

Losses from discontinued operations of $22.7 million in 2011 and $108.8 million in 2012 were in each case related to Compagnie du Ponant.

Profit for the year

As a consequence of the preceding items, profit for the period increased by $365.2 million, from a loss of $4.6 million in 2011 to a profit of $360.6 million in 2012.

Year ended December 31, 2011 compared with year ended December 31, 2010

The components of revenue during the periods under review are set out below:

	Period ended December 31,			
	2010		2011	
	($ millions)	Percentage	($ millions)	Percentage
Shipping	13,215.3	92.5%	13,734.1	92.4%
Other activities	1,075.6	7.5%	1,135.5	7.6%
Total revenue	**14,290.9**	**100%**	**14,869.6**	**100%**

Revenue

Consolidated revenue increased by $578.7 million, or 4.0%, from $14,290.9 million in 2010 to $14,869.6 million in 2011, reflecting increases in both container shipping revenue and revenue from other activities.

The main component of the increase in revenue was a $518.8 million, or 3.9%, increase in container shipping revenue from $13,215.3 million in 2010 to $13,734.1 million in 2011. Volumes transported increased by 10.8% from 9.0 million TEU in 2010 to 10.0 million TEU in 2011. Average container shipping revenue per TEU decreased by 6.2% from $1,461.7 in 2010 to $1,371.2 in 2011. The decrease in average container shipping revenue per TEU was primarily due to a significant decrease in freight rates in 2011 beginning in the summer season, which is normally a period of peak demand and pricing, and continuing through the remainder of the year.

The 974,000 TEU increase in volumes was mainly attributable to a 493,000 TEU, or 9.6%, increase in volumes transported on our main East-West lines (out of which 205,000 related to our lines calling to the United States and 154,000 to our Asia to North Europe lines), a 311,000, or 18.3%, increase in volumes transported on our main north south lines (out of which 213,000 TEU related to our lines calling to South America), and a 170,000, or 7.7%, increase generated by to our Australian subsidiary Australian National Line.

Revenue from other activities increased by 5.6%, or $59.9 million, from $1,075.6 million in 2010 to $1,135.5 million in 2011. The increase in revenue from other activities in 2011 compared to 2010 principally reflected an increase in revenue from other transportation from $790.8 million in 2010 to $973.5 million in 2011, a 23.1% increase, which more than offset a 41.5% decrease in logistic revenue from $287.2 million in 2010 to

$168.1 million in 2011, mainly as a consequence of the sale of 50.0% of Malta Freeport. Other transportation revenue in 2011 compared to 2010 was primarily due to a 10.8% increase in volumes transported, itself related to trade flows involving the United States, which typically generate a higher proportion of in-land than other destinations.

Operating Expenses

Operating expenses during the periods under review are broken down as follows:

	Period ended December 31,			
	2010		2011	
	($ millions)	Percentage of revenue	($ millions)	Percentage of revenue
Bunkers and consumables	2,714.6	19.0%	3,879.5	26.1%
Chartering and slot purchases	1,597.1	11.2%	1,937.5	13.0%
Handling and stevedoring	2,762.1	19.3%	3,194.3	21.5%
Transportation	1,174.5	8.2%	1,480.4	10.0%
Port and Canal	954.0	6.7%	1,039.8	7.0%
Logistics	863.7	6.0%	1,056.7	7.1%
Employee benefits	989.5	6.9%	1,108.6	7.5%
General and administrative	609.1	4.3%	628.9	4.2%
Subtractions/(additions) to provisions and allowances, net of reversals and impairment of inventories and trade receivables	(4.0)	(0.0%)	3.2	0.0%
Operating exchange losses/(gains), net	(29.0)	(0.0%)	46.4	0.3%
Other operating expense/(income), net	148.6	1.0%	184.9	1.3%
Operating expenses	**11,780.2**	**82.4%**	**14,555.4**	**97.9%**

General. Consolidated operating expenses excluding depreciation increased by 23.6%, from $11,780.2 million, or 82.4% of revenue, in 2010 to $14,555.4 million, or 97.9% of revenue, in 2011, reflecting increases in most operating expense categories, and in particular a 42.9% increase in bunkers and consumables expenses, a 21.3% increase in chartering and slot purchases, a 15.6% increase in handling and stevedoring and a 26.0% increase in transportation expenses.

Bunkers and consumables. Bunkers and consumables expenses increased by 42.9%, from $2,714.6 million, or 19.0% of revenue, in 2010 to $3,879.5 million, or 26.1% of revenue, in 2011. This was mainly related to an increase in our bunkering costs, including bunker swaps and settlement, from $2,635.1 million in 2010 to $3,798.0 million in 2011, or a 44.1% increase. This increase reflected both a 3.1% increase in our consumption of bunker fuel from 5.9 million tons in 2010 to 6.1 million tons in 2011, and a significant increase in average bunker rate from $445.3 per ton in 2010 to $622.0 per ton in 2011. Stores and lubricating oil expenses increased by $2.0 million, or 2.5%, from $79.5 million in 2010 to $81.5 million in 2011.

Chartering and slot purchases. Chartering and slot purchases increased by 21.3%, from $1,597.1 million in 2010 to $1,937.5 million in 2011. Chartering and slot purchases accounted for 13.0% of revenue in 2011, compared to 11.2% of revenue in 2010. Chartering expenses increased by $175.7 million, from $1,390.7 million in 2010 to $1,566.4 million in 2011, mainly as a result of an increase in the size of our chartered fleet from 743,000 slots in 2010 to 806,000 slots in 2011, or a 12.6% increase. Slot purchases increased by 79.8%, from $206.4 million in 2010 to $371.1 million in 2011. Such increase was principally due to the fact that we agreed with another carrier to invoice (and correspondingly be invoiced for) the exchange of slots as part of a vessel sharing agreement. Because we recorded a corresponding amount of revenue, this increase had no material impact on our operating profit.

Handling and stevedoring. Handling and stevedoring expenses increased by 15.6%, from $2,762.1 million in 2010 to $3,194.3 million in 2011. Handling and stevedoring expenses accounted for 21.5% of revenue in 2011, an increase from 19.3% in 2010. Stevedoring of full containers increased by 17.6%, from $2,317.5 million to $2,723.8 million, while stevedoring of empty containers increased by 5.6%, from $444.6 million to $470.4 million. The increase in handling and stevedoring was related to the 10.8% increase in volumes and to renegotiations of tariffs with some of our suppliers, who had previously accepted delays in tariff increases in light of the major economic downturn of 2009.

Transportation. Transportation expenses increased by 26.0%, from $1,174.5 million in 2010 to $1,480.4 million in 2011. Transportation expenses accounted for 10.0% of the revenue in 2011, an increase from

8.2% in 2010. This increase mainly related to a 27.0% increase in land transportation costs from $990.0 million to $1,257.4 million, mostly reflecting tariff increases in the United States as a consequence of a standstill in previous years and the increase in fuel oil prices.

Port and canal. We experienced a 9.0% increase in port and canal expenses, from $954.0 million in 2010 to $1,039.8 million in 2011, and, as a percentage of revenue, port and canal expenses increased from 6.7% of revenue in 2010 to 7.0% of revenue in 2011.

Logistic expenses: Logistic expenses increased by 22.3%, from $863.7 million in 2010 to $1,056.7 million in 2011. Logistic expenses accounted for 7.1% of revenue in 2011 and 6.0% of revenue in 2010. This increase was principally related to:

- a 27.1% increase in rental of containers and chassis, from $360.4 million in 2010 to $494.6 million in 2011, primarily due to a 32.1% increase in the fleet of rented containers and an increase average per diem of rented containers; and
- a 15.3% increase in handling expenses related to depots and empty container transportation and storage from $387.2 million in 2010 to $446.6 million in 2011.

Container maintenance and repair remained stable at $115.6 million in 2016, compared to $116.0 million in 2010.

Employee benefits. Employee benefits expenses increased by 11.6%, or $114.3 million, from $989.4 million in 2010 to $1,103.8 million in 2011, due to a $44.4 million, or 6.2%, increase in salaries and wages of existing employees (including a currency translation effect of $37.0 million) and a $47.5 million, or 37.9%, increase in salaries and wages representing crew hires, in connection with the delivery between 2010 and 2011 of 20 large vessels representing more than 40% of our then-owned capacity (including a currency translation effect of $7.3 million).

General and administrative expenses. General and administrative expenses increased by 3.3% from $609.1 million in 2010 to $628.9 million in 2011, but decreased as a percentage of revenue from 4.3% in 2010 to 4.2% in 2011. Changes in general and administrative expenses in 2011 compared to 2010 were principally due to the following:

- an 8.6% decrease in commissions from $221.4 million in 2010 to $202.3 million in 2011, as the result of the decrease in freight terms and of volumes controlled by third party agents;
- a 11.1% increase in professional fees, from $198.0 million in 2010 to $220.0 million in 2011, mainly in connection with our joint venture with IBM, CMA CGM Systems, and related to projects put on hold in 2011 and 2012; and
- an increase in insurance premia from $57.7 million in 2010 to $68.0 million in 2011, due to increased cargo claims as a result of the increase in the number of ships in our owned fleet.

Additions to provisions and allowances, net of reversals: Additions to provisions and allowances, net of reversals increased by $7.0 million from a gain of $4.0 million in 2010 to a cost of $3.0 million in 2011.

Operating exchange losses: Operating exchange losses changed from a gain of $29.0 million in 2010 to a loss of $46.0 million in 2011.

Other operating income or expenses, net: Other operating income or expenses, net increased by 24.4% from $148.6 million in 2010 to $184.9 million in 2011 principally due to increases in vessel maintenance and repair and a change in the accounting treatment of rebates, which in 2011 we allocated in reduction of the relevant operating expense line item, whereas in 2010 we allocated the entire amount to Other operating income or expenses.

Gains/losses on disposal of property and equipment and subsidiaries.

Gains and losses on property and equipment and subsidiaries increased from $5.7 million in 2010 to $396.7 million in 2011. Of this increase, $283.0 million was related to the sale of subsidiaries, including a gain of $308.0 million for the sale of 50.0% of Malta Freeport and a loss of $25.0 million as a result of the sale of the remainder of our interest in Compagnie du Ponant, $104.0 million was related to the disposal of containers and $10.0 million was related to the sale of ships.

Operating income (loss) before depreciation, amortization, interest and taxes

As a consequence of the preceding items, operating income before depreciation decreased to $710.8 million in 2011 from $2,516.5 million in 2010.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets increased from $364.7 million in 2010 to $409.9 million in 2011, principally due to the increase in our vessel fleet in 2011 compared to 2010.

Other operating items

We recorded other operating income of $51.4 million in 2011, primarily due to the reversal of a $49.5 million asset impairment charge which was taken in 2009 as a result of the cancellation of orders for two 3,600 TEU which we finally confirmed in 2011. In 2010, other operating expenses of $51.6 million principally reflected the impairment of $22.7 million of assets to be sold and an impairment charge of $27.7 million with respect to capitalized prepayments as a result of the cancellation of vessels orders.

Amortization of NPV benefit related to assets

Amortization of NPV benefit related to assets increased by 65.3%, from $54.5 million in 2010 to $90.1 million in 2011, resulting primarily from the delivery of nine new vessels with tax enhanced financing in 2012.

Share of profit/(loss) of associates or joint ventures

Share of profit, or loss, of the associates and joint ventures increased by $10.1 million in 2010 to $24.4 million in 2011. This related mainly to our interests in port terminals (Portsynergy) and in agencies.

Operating profit

As a result of the factors described above, operating profit decreased from $2,164.8 million in 2010 to $466.8 million in 2011. With respect to our container shipping operating segment, revenue increased by $518.8 million to $13,734.1 million and EBITDA decreased by $2,120.0 million to $209.8 million during this period, due mainly to a 6.1% decrease in average freight rates and an 11.5% increase in unit cost per TEU reflecting increased bunker expenses, partially offset by a 10.8% increase in volume. With respect to other activities, revenue increased by $59.9 million to $1,135.5 million and EBITDA increased by $1.7 million to $223.5 million during this period, primarily due to lower margin growth of our agency network and intermodal subsidiaries, which generated additional revenue and EBITDA of $85.6 million and $3.9 million, respectively, offset by effect of the Malta Freeport disposal, which reduced revenue by $25.7 million and EBITDA by $2.2 million.

Cost of net debt

Cost of net financial debt increased by 56.1% from $276.0 million in 2010 to $430.8 million in 2011, principally as a result of:

- a $14.2 million increase in interest income from cash and cash equivalents from $4.2 million in 2010 to $18.4 million in 2011, itself mainly due to an increase in our cash position from $538.7 million as of December 30, 2010 to $857.1 million as of December 30, 2011;
- a $95.7 million increase in interest expense on financial debt from $221.2 million in 2010 to $316.9 million in 2011, primarily reflecting the increased margins resulting from the 2010/2011 Restructuring, which became effective in the first half of 2011, as well as the issuance of the existing notes and the refinancing of our then outstanding senior notes which bore a lower coupon than the existing notes;
- a $62.4 million decrease in financial costs related to debt restructurings from $79.1 million in 2010 to $16.7 million in 2011 as a result of the conclusion of the 2011 debt restructuring at the beginning of that year;
- a $128.0 million swing in foreign currency exchange gains and losses from a gain of $61.9 million in 2010 to a loss of $66.1 million in 2011; and
- a $7.6 million increase in interest rates and foreign currency financial derivatives from $41.9 million in 2010 to $49.5 million in 2011.

Other financial items

Other financial income increased to $84.3 million in 2011, from $3.8 million in 2010, while other financial expenses decreased from $214.7 million in 2010 to $86.7 million in 2011. The principal changes in other financial income and other financial expense in 2011 and 2010 were the following:

- a $132.4 million increase in other financial items related to debt restructuring from a loss of $99.0 million in 2010 to a gain of $33.4 million in 2011, mainly related to the reversal of a provision;
- a $72.2 million gain in 2011 on the repurchase of outstanding senior notes at purchase prices significantly below par;
- a $19.3 million increase in interest on deferred payments to shipyards from $44.6 million in 2010 to $63.9 million in 2011;
- a $12.3 million change in fair value and settlement of derivative instruments that do not qualify to hedge accounting from a cost of $40.8 million in 2010 to a cost of $53.1 million in 2011;
- a $6.4 million decrease in the change in fair value of securities from a gain of $3.8 million in 2010 to a loss of $2.6 million in 2011;
- a $53.4 million change in foreign currency losses and gains on financial operations, from a loss of $13.5 million in 2010 to a gain of $39.9 million in 2011; and
- a $14.1 million decrease in other financial income and expenses, net from a cost of $13.7 million in 2010 to a cost of $27.8 million in 2011.

Income taxes

Income taxes increased from $23.8 million in 2010 to $33.3 million in 2011, due to the effect of different tax rates in different tax jurisdictions. In 2011, most of our profit was generated in countries benefitting from tonnage tax regimes.

Profit/(loss) for the year

As a result of the factors described above, profit for the year decreased by $1,653.7 million, from $1,654.0 million in 2010 to $0.3 million in 2011.

Liquidity and Capital Resources

Historically, our principal sources of liquidity have been our operating cash flow, secured vessel and container financing activities, securitizations of vessels, other borrowings such as under our revolving credit facilities and bond issuances. During the period under review, we also generated cash from the sale of assets. Our primary needs for liquidity are to fund purchases of vessels and containers.

Cash Flows

Net cash provided by operating activities

Net cash provided by operating activities represented $1,928.1 million, $287.5 million, $984.5 million and $785.0 million in 2010, 2011, 2012 and for the nine months ended September 30, 2013, respectively.

	As of December 31,			Nine months ended September 30,
	2010	2011 (restated)	2012	2013
		($ millions)		($ millions)
Profit/(loss) for the year	1,654.0	(4.6)	360.6	451.1
Depreciation and amortization, net of NPV benefit	310.2	319.8	310.2	226.6
Impairment of assets and risks associated to vessels	51.6	(51.4)	45.4	96.6
Discontinued operations	—	22.7	108.8	—
(Increase)/decrease in provisions for liabilities	(12.6)	(32.8)	47.0	40.7
Gain/(loss) on assets and subsidiary disposals	(5.7)	(421.7)	(18.9)	(310.8)
Income from equity investments	(10.1)	(24.4)	(39.1)	(10.8)
Net fair value (gain)/loss on financial derivatives	(105.9)	24.0	(32.0)	(21.6)
Deferred tax	(0.2)	(19.6)	7.2	6.3
Non-cash impact of assets at fair value through profit & loss	—	3.8	(1.3)	(0.5)
Other non-cash items	145.4	15.5	2.7	27.0
Interest expenses on net financial debt	253.2	391.4	401.5	293.6
Financial income on bonds repurchase	—	(72.2)		
Unrealized exchange (gain)/loss	(88.0)	(3.1)	38.6	43.5
Change in trade working capital	(263.7)	140.0	(246.2)	(56.6)
Net cash provided by operating activities	**1,928.1**	**287.5**	**984.5**	**785.0**

During the nine months ended September 30, 2013, we generated net cash from operating activities of $785.0 million, principally reflecting profit of $451.1 million for the period, plus depreciation and amortization of $226.6 million, plus impairment of vessels and goodwill of $96.6 million, plus increase in provisions for liabilities of $40.7 million, less gains on asset disposals of $310.8 million (of which $301.1 million related to the disposal of 49.0% of Terminal Link), less share of income from investments under equity method of $10.8 million and non-cash impact of bunker and swap hedging of $21.6 million, less change in fair value of securities of $0.5 million, plus deferred tax expense of $6.3 million, plus interest expense of net financial debt of $293.6 million, less a negative net change in trade working capital of $56.6 million (mainly due to an increase in accounts receivable in line with the increase in revenue during the period, partially offset by a corresponding increase in accounts payable), plus unrealized exchange losses of $43.5 million and other non-cash items of $27.0 million (comprising $22.6 million of non-cash charges corresponding to cash disbursed in previous years which had to be recycled to the income statement and $4.4 million of accrued interests for deferred payments to shipyards).

In 2012, we generated net cash from operating activities of $984.5 million, principally reflecting profit of $360.6 million for the period, plus depreciation and amortization of $310.2 million, plus impairment of vessels and goodwill of $45.4 million, plus result from discontinued operations of $108.8 million, plus decrease in provisions for liabilities of $47.0 million, less gains on asset disposals of $18.9 million, less share of income from investments under equity method of $39.1 million and non-cash impact of bunker and swap hedging of $32.0 million, less change in fair value of securities of $1.3 million, plus deferred tax expense of $7.2 million, plus interest expense of net financial debt of $401.5 million, less a negative change in trade working capital of $246.2 million (mainly due to increasing account receivables in line with rising volume and freight rates and decreasing accounts payables in line with unit costs evolution), plus unrealized exchange losses of $38.6 million and other non-cash items of $2.7 million.

In 2011, we generated net cash from operating activities of $287.5 million, principally reflecting loss of $4.6 million for the period, plus depreciation and amortization of $319.8 million, less reversal of impairment of vessels and goodwill of $51.4 million, plus result from discontinued operations of $22.7 million, less decrease in provisions for liabilities of $32.8 million, less gains on asset disposals of $421.7 million (of which $307.5 million relating to the disposal of 50.0% of Malta Freeport and $103.8 million relating to the disposal of containers), less share of income from investments under equity method of $24.4 million, plus non-cash impact of bunker and swap hedging of $24.0 million, plus change in fair value of securities of $3.8 million, less deferred tax expense of $19.6 million, plus interest expense of net financial debt of $391.4 million, less financial gain on repurchase of our outstanding senior notes of $72.2 million, plus positive net change in trade working capital of $140.0 million (mainly due to a significant increase in account payables in line with rising volume and unit costs, which was only partially compensated by an increase of account receivables and inventories), less unrealized exchange gain of $3.1 million, plus other non-cash items of $15.5 million.

In 2010, we generated net cash from operating activities of $1,928.1 million, principally reflecting profit of $1,654.0 million for the period, depreciation and amortization of $310.2 million, plus impairment of vessels and goodwill of $51.6 million, less decrease in provisions for liabilities of $12.6 million, less gains on asset disposals of $5.7 million, less share of loss or loss from investments under equity method of $10.1 million and non-cash impact of bunker and swap hedging of $105.9 million, plus interest expense of net financial debt of $253.2 million, less negative change in trade working capital of $263.7 million (due to the increase of account receivables and inventories in line with rising volumes and activity, and to the decrease of account payables as a consequence of lower fuel price) and less unrealized exchange gains of $88.0 million, plus other non-cash items of $145.4 million (of which $46.6 million of fees incurred in previous years which had to be recycled to the income statement and $22.0 million of accrued interests for deferred payments to shipyards and $36.0 million of other non-cash income related to derivatives and $14.2 million of accrued restructuring fees).

Net cash used by investing activities

Net cash used by investing activities was $1,044.9 million, $173.0 million and $189.9 million in 2010, 2011 and 2012, respectively. As of September 30, 2013, net cash provided by investing activities was $401.8 million.

	As of December 31,			As of September 30,
	2010	2011	2012	2013
		($ millions)		($ millions)
Acquisitions of intangible assets	(21.1)	(25.5)	(25.4)	(16.0)
Acquisitions of tangible assets*	(1,106.3)	(1,009.1)	(100.8)	(168.9)
Acquisitions/disposals of financial assets (excluding subsidiaries)	(13.9)	(13.6)	(45.4)	(2.4)
Disposal of fixed assets*	226.6	440.9	189.9	78.6
Acquisitions/disposals of subsidiaries net of cash acquired	0.4	276.3	—	514.3
Proceeds from disposal of securities, net of acquisitions	11.8	10.0	5.7	(113.4)
Dividends received from associates and joint-ventures	2.2	13.2	—	14.2
Variation in other investments	(144.6)	134.8	(213.9)	95.4
Net cash used by investing activities	**(1,044.9)**	**(173.0)**	**(189.9)**	**401.8**

* Includes amounts related to assets held for sale.

During the nine months ended September 30, 2013, net cash relating to investing activities generated a positive cash-flow of $401.8 million, predominantly related to the disposal of 49.0% of Terminal Link which provided $514.3 million. Acquisitions of tangible assets accounted for $168.9 million relating mainly to acquisitions of vessels ($76.9 million of which related to two vessels delivered in 2013 and $44.5 million for vessels to be delivered in upcoming years), as well as real estate, stevedoring equipment and terminals and containers. Acquisitions of intangible assets accounted for $16.0 million relating mainly to IT developments. In addition, we acquired $2.4 million of financial assets related to terminals net of disposals. Disposal of fixed assets provided $78.6 million in cash ($26.9 million of which related to the sale of ships and $49.8 million to the sale of containers), and $113.4 million was used for the acquisition of marketable securities, net of disposals. Dividends from associates and joint ventures provided $14.2 million of cash. Net cash provided by investing activities was finally increased by a variation of $95.4 million in other investments, of which $46.5 million was related to escrowed amounts previously deposited under loan-to-value covenants in certain of our financing arrangements, $32.2 million was related to an early repayment of a vendor loan granted in connection with the sale of Compagnie du Ponant and $16.9 million was related to short-term deposits by a subsidiary, placed locally and restricted.

In 2012, net cash relating to investing activities was $189.9 million, predominantly reflecting acquisitions of tangible assets for $100.8 million relating mainly to acquisitions of vessels ($49.0 million of which related to one vessel delivered in 2012 and $10.4 million for vessels to be delivered in upcoming years), as well as real estate, stevedoring equipment and terminals and containers, and acquisitions of intangible assets for $25.4 million relating mainly to IT developments. In addition, we acquired $45.4 million of financial assets related to terminals net of disposals. Disposal of fixed assets provided $189.9 million in cash, $125.5 million of which related to the sale of ships and $58.0 million to the sale of containers, and $5.7 million was provided by the sales of marketable securities. Net cash used for investing activities was finally increased by a variation of $213.9 million in other investments, of which $75.4 million was related to escrowed amounts deposited under loan-to-value covenants in certain of our financing arrangements, back-to back loans of $75.2 million granted in 2012 by one of our subsidiaries to certain financial institutions as part of a financing arrangement, and $66.5 million was related to an increase of cash deposits which do not qualify as cash available.

In 2011, net cash relating to investing activities was $173.0 million, predominantly reflecting acquisitions of tangible assets for $1,009.1 million relating mainly to acquisitions of vessels ($757.0 million of which related to 9 vessels delivered in 2011 and $5.0 million for vessels to be delivered in upcoming years), as well as real estate, stevedoring equipment and terminals and containers, and acquisitions of intangible assets for $25.5 million relating mainly to IT developments. In addition, we acquired $13.6 million of financial assets related to terminals net of disposals. Disposal of fixed assets provided $440.9 million in cash, $186.6 million of which related to the sale of ships and $237.1 million related to the sale of containers, disposal of subsidiaries provided $276.3 million (mainly related to the sale of 50.0% of Malta Freeport) and $10.0 million was provided by the sales of marketable securities. Dividends from associates and joint ventures provided $13.2 million of cash. Net cash used for investing activities was finally decreased by a variation of $134.8 million in other investments, of which $88.0 million was related to escrowed amounts deposited under loan-to-value covenants in certain of our financing arrangements, $23.5 million was related to a release in relation to a deposit previously made by us as part of an ordinary-course bunker litigation and $11.0 million was related to cash collateral.

In 2010, net cash relating to investing activities was $1,044.0 million, predominantly reflecting acquisitions of tangible assets for $1,106.3 million relating mainly to acquisitions of vessels ($762.0 million of which related to 12 vessels delivered in 2010 and $156.0 million for vessels to be delivered in upcoming years), as well as real estate, stevedoring equipment and terminals and containers, and acquisitions of intangible assets for $21.1 million relating mainly to IT developments. In addition, we acquired $13.9 million of financial assets related to terminals net of disposals. Disposal of fixed assets provided $226.6 million in cash, $112.1 million of which related to the sale of ships, and $11.8 million was provided by the sales of marketable securities. Dividends from associates and joint ventures provided $2.2 million of cash. Net cash used for investing activities was finally increased by a variation of $144.6 million in other investments, of which $38.7 million was related to escrowed amounts deposited under loan-to-value covenants in certain of our financing arrangements and $69.4 million was related to short-term deposits in a subsidiary.

Net cash provided by financing activities

Net cash used in financing activities was $765.0 million in 2010. We generated cash from financing activities of $93.8 million in 2011. Net cash used in financing activities was $918.8 million in 2012 and $781.8 million in the nine months ended September 30, 2013.

	As of December 31,			As of September 30,
	2010	2011	2012	2013
		($ millions)		($ millions)
Increase in capital	—	494.7	—	250.0
Increase in financial debts	447.9	1,320.6	109.4	210.0
Decrease in financial debts	(635.4)	(692.1)	(386.7)	(818.6)
Decrease in financial debts (leasing)	(308.2)	(376.4)	(283.4)	(126.4)
Refinancing of assets	0.6	257.0	52.3	72.8
Repurchase of notes	—	(539.3)	—	—
Interest expenses on net financial debt	(250.3)	(341.2)	(388.3)	(257.2)
Dividends paid to non-controlling interests	(19.5)	(29.6)	(11.6)	(40.5)
Variation in other financing activities	—	—	(10.5)	(65.7)
Net cash provided by financing activities	**(765.0)**	**93.8**	**(918.8)**	**(781.7)**

During the nine months ended September 30, 2013, net cash provided by financing activities was partly related to the issuance of ORA for $250.0 million ($150.0 million of which was subscribed by FSI and $100.0 million by Yildirim), and to a $178.0 million increase in financial debt (of which $80.5 million related to a short-term bridge loan in connection with the sale of a 49.0% interest in Terminal Link fully repaid at closing and $77.4 million related to drawings on our program of securitization of receivables and other debts acquired by our subsidiaries), while dividends of $15.5 million were paid to minority shareholders of our network of agencies and $25.0 million of dividends was paid to our shareholders. Financial debt decreased by $792.9 million, mainly related to $326.9 million of repayments (net of drawings) on the New Term Loan, $80.5 million of repayment in full of the Terminal Link short-term bridge loan discussed above, $19.5 million of interest payments on ORA that are treated as repayment of debt, $32.0 million repayment on the New Term Loan, $20.5 million of repurchases of our outstanding senior notes, $135.0 million debt repayment on asset financings related to vessels, $52.4 million repayment on container financings, $84.0 million repayment of vendor loan on seven vessels, and $42.1 million repayment related to various other debts. The decrease in leasing debt accounted for $126.4 million, of which $82.5 million related to vessels, $40.2 million related to containers and $3.7 million related to repayment on various other finance leases. Interest expenses on net financial debt accounted for $257.2 million. Certain assets were also refinanced for an amount of $72.8 million and the variation in other financing activities was related to fees paid on debt restructuring and interest expenses paid on late deliveries of vessels.

In 2012, net cash provided by financing activities was partly related to a $109.4 million increase in financial debt (of which $65.9 million related to drawing on our program of securitization of receivables and other debts acquired by our subsidiaries) while an amount of $11.6 million in dividends was paid to minority shareholders of our network of agencies and $10.5 million to acquire minority interests. The decrease in financial debt accounted for $386.7 million, mainly related to $22.5 million repayment on revolving credit facilities, $30.4 million of interest payments on ORA that are treated as repayment of debt, $25.5 million of repayment on senior notes, $157.1 million debt repayment on debt related to vessels, $14.0 million repayment on our securitization of receivables, $52.5 million repayment on debt related to containers, $20.0 million repayment of vendor loan on one of the 13,800 TEU vessels, $12.0 million debt repayment in relation to a financing of IT investments, $9.9 million repayment on debt acquired by our stevedoring subsidiaries in Somaport and $42.9 million repayment related to various other debts. The decrease in leasing debt accounted for $283.4 million, of which $135.5 million related to vessels, $68.2 million related to containers, $4.7 million related to repayment on various other finance leases and a decrease in liabilities associated with asset held for sale accounted for $74.9 million related to the sale of three 5,800 TEU vessels. Interest expenses on net financial debt accounted for $388.3 million. Certain assets were also refinanced for an amount of $52.3 million.

In 2011, net cash provided by financing activities was impacted by the issuance of ORA of $494.7 million, net of issuance costs. It was also increased by proceeds of $927.0 million related to the issuance of senior notes issued in 2011 net of issuance costs, and from proceeds of bank borrowings of $393.6 million (of which $60.0 million related to vendor loans on five 11,400 TEU ships, $324.0 million related to drawing on debt for six 11,400 TEU ships and $9.6 million related to debt acquired by our subsidiaries) while an amount of $29.6 million in dividends was paid to minority shareholders of our network of agencies. The decrease in financial debt accounted for $692.1 million, mainly related to $214.0 million repayment on revolving credit facilities, $87.0 million of repayment on senior notes (of which $62.0 million of partial early repayment), $183.0 million debt repayment on debt related to vessels, $10.0 million repayment on our securitization of receivables, $53.0 million repayment on debt related to containers, $35.0 million debt repayment in relation to the financing of IT investments, $14.0 million repayment on debt acquired by our stevedoring subsidiaries in Somaport and Malta Freeport, $25.0 million of repayment on ORA and $71.1 million repayment related to various other debts. The decrease in leasing debt accounted for $376.4 million, of which $126.6 million related to vessels, $80.0 million related to containers, $5.0 million related to repayment on various other finance leases and $164.9 million related to the decrease in liabilities associated with asset held for sale related to the sale of three 5,800 TEU vessels. An amount of $539.3 million was also paid on the repurchase of our outstanding senior notes. Interest expenses on net financial debt were $341.2 million. Certain vessels delivered in 2010 were also refinanced in 2011 for an amount of $257.0 million.

In 2010, net cash provided by financing activities was principally related to a $447.9 million increase in financial debt (of which $132.0 million related to a vendor loan on four 11,400 TEU ships and two 13,300 TEU ships, $131.9 million related to drawing on debt for the same four 11,400 TEU ships, $84.5 million related to drawing on our program of securitization of receivables, $105.5 million related to debt acquired by our subsidiaries, Compagnie du Ponant, Malta Freeport, Nord France Terminal (Dunkirk) and various other subsidiaries) while an amount of $19.5 million in dividends was paid to minority shareholders of our network of agencies. The decrease in financial debt accounted for $635.4 million, mainly related to $243.3 million repayment on revolving credit facilities, $116.3 million debt repayment on debt related to vessels, $68.1 million repayment on our securitization of receivables, $51.8 million repayment on debt related to containers, $42.9 million repayment of debt on the Kessel vessel, $30.0 million repayment of vendor loan on one of the 13,300 TEU vessels, $22.5 million debt repayment in relation to the financing of IT investments, $24.0 million repayment on debt acquired by our stevedoring subsidiaries in Dunkirk and Malta Freeport and $34.0 million repayment related to various other debts. The decrease in leasing debt accounted for $308.2 million, of which $158.7 million related to vessels, including $46.1 million for the 5,100 TEU ship sold in November, $91.0 million related to containers, $30.0 million related to the repayment of a vendor loan on a 13,300 TEU ship and $28.0 million related to repayment on various other finance leases. Interest expenses on net financial debt accounted for $250.3 million.

Capital Expenditures

We have made significant investments, primarily pursuant to capital lease payments, in new vessels and to a lesser extent in containers and in other items which relate mainly to real estate. The following is a summary of our historical capital expenditure for the period indicated:

	Year ended December 31,					Nine months ended September 30,
	2008	2009	2010	2011	2012	2013
			($ millions)			($ millions)
Ships	1,608.3	950.0	1,123.3	1,017.1	179.7	426.5
Containers	381.7	0.8	23.8	14.4	56.7	7.4
Software	89.9	98.0	19.0	27.8	27.7	58.7
Other(1)	307.7	264.8	209.9	99.9	26.3	16.6
Total	**2,387.6**	**1,313.7**	**1,376.0**	**1,159.2**	**290.4**	**509.3**

(1) Other includes acquisitions, land, buildings, cranes and other property and equipment.

We expect capital expenditures of about $500 to $550 million in the full year 2013, of which approximately $294 million relates to the acquisition of two 16,000 TEU ships that were delivered in April and May 2013, respectively, and the remainder to the acquisition of three 16,000 TEU ships for about $95 million, the acquisition of three 2,100 TEU ships for a payment of about $12 million, the acquisition of containers and other investments, including investments in IT systems, for a total consideration ranging between $100 and $150 million. In 2014, we expect capital expenditures, net of disposals, of approximately $354 million, of which approximately $116 million relates to our new strategic partnership with SAP to develop a new information system, approximately $86 million relates to the purchase of new vessels, approximately $66 million relates to the purchase of new containers, approximately $59 million relates to dry docks and the retrofitting of bulbous bows and approximately $27 million relates to investments in terminals and dry ports. These amounts correspond to those investments accounted for on the balance sheet and do not include the $32 million paid for vessels currently in our orderbook that we will hold under a capital lease. These amounts also do not include discretionary capital expenditures. We currently have $72 million of committed financings in respect of our budgeted 2014 capital expenditures summarized above.

Contractual Obligations and Commercial Commitments

The following table shows our contractual obligations and commercial commitments as of September 30, 2013, on a *pro forma* basis after giving effect to the issuance of the notes offered hereby and the use of the net proceeds therefrom as described under "*Use of Proceeds*."

	As of December 31,						
	2013	**2014**	**2015**	**2016**	**2017**	**After 2017**	**Total**
				($ millions)			
Bond debt	35.2	22.3	22.3	22.3	418.7	390.3	**911.1**
Bank debt	158.5	377.9	170.5	237.5	223.3	862.6	**2,030.3**
Obligations under finance leases	55.0	137.0	189.4	267.0	310.8	262.4	**1,221.6**
Bank overdrafts	153.5	—	—	—	—	—	**153.5**
Securitization and other obligations	(0.2)	(0.7)	458.7	—	—	—	**457.8**
Notes offered hereby	—	—	—	—	—	387.0	**387.0**
Other financial debts	105.3	68.3	15.8	29.1	0.6	6.9	**226.0**
Out of which accrued interests	83.1	—	—	—	—	—	**83.1**
Debt related to assets classified as held for sale	—	—	—	—	—	—	**—**
Total debt obligations excluding bank overdraft, securitization and accrued interests	270.9	605.5	398.0	555.9	953.4	1,909.2	**4,692.9**
Total debt obligations	**507.3**	**604.8**	**856.7**	**555.9**	**953.4**	**1,909.2**	**5,387.3**
Vessel purchase commitments-financed[1]	—	—	259.2	—	—	—	**259.2**
Vessel purchase commitments-non-financed	—	—	26.9	—	—	—	**26.9**
Vessel cancellation cash costs	—	—	—	—	—	—	**—**
Time charter payments	392.8	886.5	744.9	692.9	613.9	3,065.9	**6,396.9**
—Vessels in fleet	*392.8*	*872.7*	*642.4*	*554.4*	*475.8*	*1,799.9*	***4,738.0***
—Vessels to be delivered	—	*13.8*	*102.5*	*138.5*	*138.1*	*1,266.0*	***1,658.9***
Container rentals commitment	132.3	428.0	370.2	316.6	241.0	354.0	**1,842.1**
Total commitments	**525.1**	**1,314.5**	**1,401.2**	**1,009.5**	**854.9**	**3,419.9**	**8,525.1**
Total debt obligations and commitments	**1,032.40**	**1,919.30**	**2,257.90**	**1,565.40**	**1,808.30**	**5,329.10**	**13,912.35**

(1) We have not included commitments in the table above relating to one vessel which we had ordered and subsequently cancelled and over which negotiations with the shipyard continue. Our prepayment has been fully written down.

Off Balance Sheet Arrangements

We have no off balance sheet arrangements, other than the commitments as disclosed in Note 32 of our Audited Consolidated Financial Statements and Note 27 to our Unaudited Interim Condensed Consolidated Financial Statements.

Market-related risks

In connection with our business operations, we are exposed to fluctuations in bunker fuel rates, currency exchange rates and interest rates. We believe the following financial risks constitute our primary market-related risks.

Risk arising from bunker fuel price fluctuations

A large part of our cost is related to bunker fuel. For each of the years ended December 31, 2011 and 2012, our consolidated income statement reflected $3,879.5 million and $3,845.1 million, respectively, of costs associated with bunker fuel.

The group's risk management policy is to hedge with physical forward purchase on a rolling twelve-month basis and also with "over-the-counter" derivative instruments such as short-term commodity swaps and options, when there are market opportunities, as long as they qualify to hedge accounting. As of the end of October 2013, there is no open derivatives position.

Foreign currency exchange rate risk

We operate on a worldwide basis and our revenue and operating expenses are denominated in U.S. dollars, in euro and marginally in sterling, depending upon which lines are concerned. In addition, many of our financing arrangements are denominated in euro. We incur a higher proportion of our expenses denominated in euro compared to the proportion of our revenue we generate in euro. In addition, many of our financing arrangements are in euro. This imbalance can negatively impact our results of operations when the euro appreciates in value against the U.S. dollar.

We are not exposed to material foreign exchange risks on our capital commitments, since vessel and container financing arrangements are usually U.S. dollar-denominated and our vessels and containers are principally purchased in U.S. dollars, including those vessels acquired under the terms of long-term capital leases or other similar arrangements.

Our current policy is not to hedge our foreign currency exchange exposure. However, we may conclude derivative financial transactions from time to time to hedge specific risks In line with industry practice and subject to market conditions, we typically charge our customers currency surcharges in times of volatility in foreign exchange rates.

Interest rate risk

We are exposed to cash flow interest rate risk as some of our financial debts (including obligations under capital leases) are issued at variable rates ($Libor). In order to minimize the interest rate risk, we hedge this risk through derivatives interest rate swaps agreements.

As of December 31, 2012 and September 30, 2013, in each case taking into account the interest rate hedges, indebtedness bearing interest at variable rates represented 39.0% and 41.0% of total indebtedness, respectively.

Significant Recently-Issued Accounting Pronouncements

New IFRS accounting pronouncements applicable to the Company's business and operations are presented in further details in Note 2.2 to the 2012 Audited Consolidated Financial Statements and the 2011 Audited Consolidated Financial Statements presented elsewhere in these listing particulars.

Leases

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) released an exposure draft in June 2013 that is expected to significantly change current lease accounting practice under IAS 17 "Leases." The future standard, which shall not be applicable before 2017, should end the distinction between operating and finance leases. This will lead to the recording as a liability in the balance sheet of certain lease commitments currently disclosed in the notes to the financial statements. The operating lease expense currently recorded within operating expenses will be split into an amortization expense of an intangible asset and a financial expense, except for the running costs which will remain accounted for as an operating expense.

The boards' conclusions in the exposure draft are tentative and subject to change until they issue a final standard. A significant number of comments were received as part of the comment letter process. The effective date of this revised standard has not yet been determined but should not be earlier than 2017 depending also on the European Union endorsement process.

At this stage and considering potential changes in the proposed exposure draft, management has not yet estimated in detail its potential financial impact and business implications, including its strategy in terms of balance between owned and leased vessels and containers. Minimum lease payments related to the Company's vessels and containers under operating leases are presented in note 32.1 and 31.1 to the consolidated financial statements presented elsewhere in these listing particulars.

Consolidation

On January 1, 2014, we will implement IFRS 10, 11 and 12 which introduce new guidance on control and consolidation.

The new approach in IFRS 10 combines the concepts of power and exposure to variable returns to determine whether control exists. Control exists under IFRS 10 when the investor has power, exposure to variable returns and the ability to use that power to affect its returns from the investee.

IFRS 11 Joint Arrangements replaces IAS 31 Interests in Joint Ventures and entails that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. Arrangements in which the contracting parties' rights are limited to net assets in the separate legal entities (joint ventures) are no longer recognized proportionately, but according to the equity method, equivalent to associated companies. Contractual relationships in which the parties have direct and unlimited rights and obligations to the assets and liabilities of the arrangement (joint operations), will however continue to be recognized proportionately. IFRS 12 introduces all the disclosure requirements of interests in other entities, based on IFRS 10 and IFRS 11 rules.

We are currently assessing in detail the impact of the implementation of such set of new standards. We do not expect that it will have a major impact on our consolidated financial statements.

Critical Accounting Policies and Significant Accounting Estimates

Note 2.4 to the Company's consolidated financial statements for 2012 included elsewhere in these listing particulars details accounting policies deemed to be significant by management. Critical accounting policies include, among others:

- revenue recognition and related expenses;
- leases;
- impairment of non-financial assets; and
- derivative instruments and hedging activities.

The preparation of financial statements under IFRS also requires the use of judgments, best estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Note 2.3 to the Company's consolidated financial statements for 2012 details accounting estimates deemed significant by management that include, among others:

- impairment of non-financial assets;
- deferred tax assets;
- pension and other post-employment benefits;
- financial instruments;
- accruals for port call expenses, transportation costs and handling services; and
- provision for risks and impairment related to cancellation of vessel orders.

The final outcome of these transactions could differ from these estimates due to changes in assumptions or economic conditions.

All the information and data presented in this section, including the analysis of the international container shipping industry has been provided by Drewry. Drewry has advised that the statistical and graphical information contained herein is drawn from its database and other sources. In connection therewith, Drewry has advised that: (a) certain information in Drewry's database is derived from estimates or subjective judgments; (b) the information in the databases of other maritime data collection agencies may differ from the information in Drewry's database; and (c) while Drewry has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.

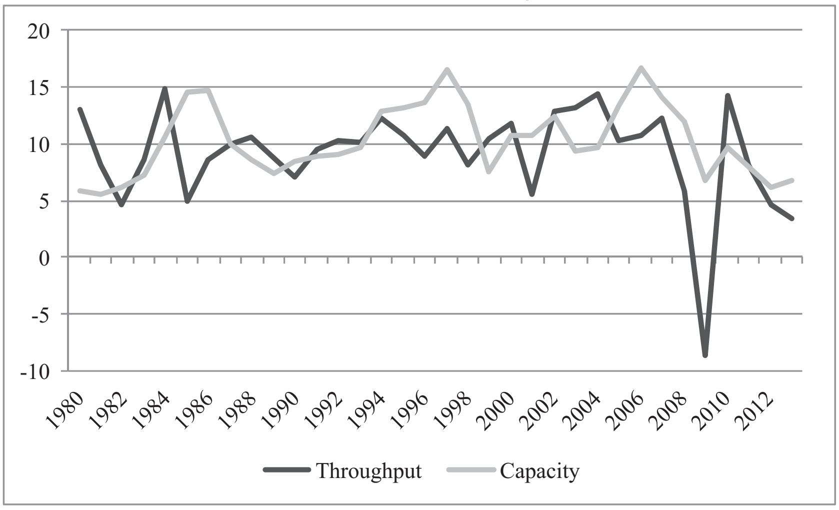
Introduction

Container shipping is the fastest growing sector of international shipping, benefiting from a shift in cargo transport towards unitization as well as from changes in world trade. Global container trade has increased every year in terms of volumes since the introduction of long-haul containerized shipping lanes in the late 1960s, with the exception of 2009. Container shipping is performed by shipping lines, or liners, which operate frequent scheduled services, with pre-determined port calls, using a number of owned or chartered vessels of a particular size in each service to achieve an appropriate frequency and utilisation level. Between 2000 and 2012, world container trade grew at a compound annual growth rate ("CAGR") of 8.1% in terms of volumes. In 2012, approximately 177 million TEU of containerized cargo was transported by sea. Overall, there has been a shift away from the traditional methods of transporting general cargo and refrigerated perishables towards containerization, as more ports around the world introduced container handling technology and as the benefits of container shipping became more widely recognized.

Ships range in size from vessels able to carry less than 500 TEU, to those with capacity in excess of 18,000 TEU. The containership fleet has grown rapidly to meet the increases in trade, with total capacity rising from under 2 million TEU at the end of 1991 to 17 million TEU in October 2013. Matching capacity with demand has however been a challenge for the industry and the market is currently oversupplied as a result of the high levels of new ordering which occurred between 2006 and 2008 and again since mid-2010, with the exception of a lull in late 2011 and early 2012. Annual changes in global container throughput and fleet capacity in the period ranging from 1980 to 2012 are shown in the chart below.

Global Container Throughput and Fleet Capacity

(Annual Percent Change)



Source: Drewry

As of late 2013, the container shipping market continues to grow, albeit not at the high rates which have been seen historically. According to currently available data, global container throughput is expected to grow by 3.4% in 2013. Global fleet growth may continue to challenge the industry in the next three years, as carriers struggle to deploy very large containerships across their portfolio of services without damaging the supply to demand balance. The proportion of the current fleet that can be classed as inactive is low-probably no more than 3 to 4% of total supply-although excess capacity is hidden in operating initiatives such as slow steaming. Provided demand growth remains and there is no longer a continued resurgence in new ordering, the conditions are slowly being laid for a possible market recovery.

Drivers of Container Shipping Demand

Approximately 90% of world trade in volume terms is carried by sea. Oceangoing vessels represent an efficient and often the only means of transporting large volumes of basic commodities and finished products over long distances.

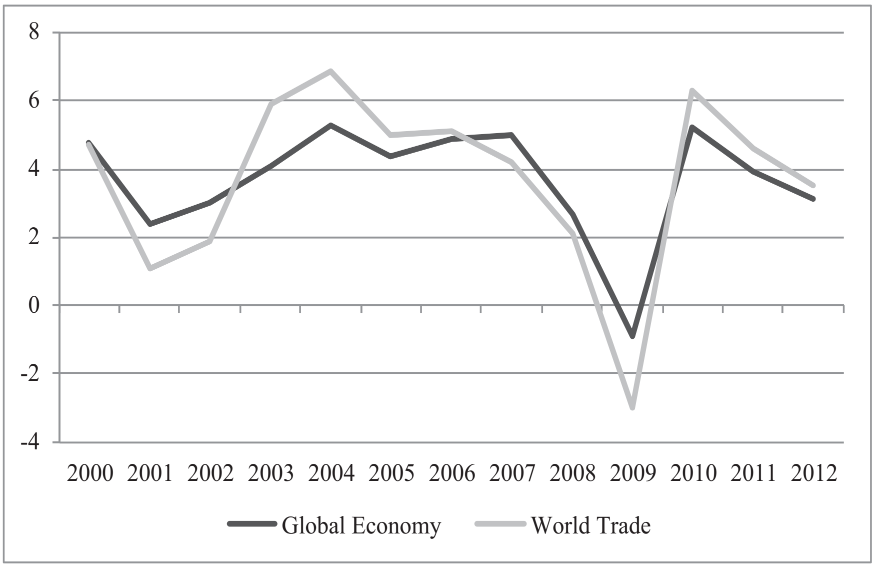
Seaborne cargo is broadly categorized as either liquid or dry cargo. Liquid cargo includes crude oil, refined petroleum products, vegetable oils, gases and chemicals. Dry cargo includes dry bulk cargo, containerized cargo, and non-containerized cargo which is often referred to as general cargo. In 2012, 9.2 billion tons of cargo (of all types) was moved by sea, of which 3.4 billion tons were liquid cargo and 5.8 billion tons were dry cargo. From 2000 to 2012, seaborne trade grew at a CAGR of 4.0%.

In general, trends in seaborne trade are influenced by the underlying demand for bulk commodities, raw materials and semi-finished and finished goods which, in turn, are influenced by the level of worldwide economic activity. The growth in world container trade is thus primarily driven by the growth in economic output and consumption, increases in global sourcing and changes in patterns of world trade. Container trade growth is in part dependent on levels of economic growth and, generally, growth in GDP and industrial production correlate with changes in the demand for international container shipping. GDP serves as one of the best indicators of prospective container volumes and historically container trade volumes have grown at a multiple of 2.5 times GDP growth. While this has not been the case since 2008 and 2009, the relationship between GDP and container trade volume growth has staged a modest recovery since 2012 and, in 2013, container trade volume is expected to grow at a multiple of 1.1 to 1.2 times GDP growth. Overall, the relationship between economic growth and container trade growth seems to have changed. Part of the reason for such change is the outsourcing trend to China reaching maturity.

Inexpensive and reliable container transport has facilitated manufacturing and distribution processes that have accompanied globalization, allowing manufacturing to move away from traditionally high-cost production areas, such as Japan, Western Europe and North America, to lower-cost production areas, such as China, Vietnam and other parts of South East Asia. There has been little impact on the quality of the distribution process to the primary consumer markets. As an illustration of the relative low cost of container transportation, many technologically advanced countries are exporting component parts for assembly in other countries and re-importing the finished products. Manufacturers have also focused more on "just-in-time" delivery methods, which are facilitated by the fast transit times and frequent, reliable services offered by container liners and the container industry.

Global Real GDP Growth and Total Seaborne Trade, 2000-2012

(YoY % change)



Source: Drewry

In addition to the levels of economic growth, there are several structural factors that also impact global container trade, including continuing penetration by containerization of traditional shipping sectors, such as general cargo and refrigerated cargo markets and, to a limited extent, even some dry and wet bulk commodities, which traditionally have been the preserve of the dry bulk carrier and oil tanker markets.

Container Shipping—Introduction

The containers used in maritime transportation are steel boxes of standard dimensions. The standard unit of measure of volume or capacity in container shipping is the 20-foot equivalent unit, or TEU, representing a container which is 20 feet long and typically 8.5 feet high and 8 feet wide. In recent years, 40-foot long containers (9.5 feet high), equivalent to two TEU, have increasingly been used by large retailers to move lightweight, fast moving consumer goods across the globe. There are specialized containers of both sizes to carry refrigerated perishables or frozen products, as well as tank containers that carry liquids such as liquefied gases, spirits or chemicals.

A container shipment begins at the shipper's premises with the delivery of an empty container. Once the container has been filled with cargo, it is transported by truck, rail or barge to a container port, where it is loaded onto a containership. The container is shipped either directly to the destination port or through an intermediate port where it is transferred to another vessel, an activity referred to as transshipment. When the container arrives at its destination port, it is off-loaded and delivered to the receiver's premises by truck, rail or barge.

Container shipping has a number of advantages compared with other shipping methods, including:

Less Cargo Handling: Containers provide a secure environment for cargo. The contents of a container, once loaded into the container, are not directly handled until they reach their final destination. Using other shipping methods, cargo may be loaded and discharged several times, resulting in a greater risk of breakage and loss.

Efficient Port Turnaround: With specialized cranes and other terminal equipment, containerships can be loaded and unloaded in significantly less time and at lower cost than other cargo vessels.

Highly Developed Intermodal Network: Onshore movement of containerized cargo, from points of origin, around container ports, staging or storage areas, and to final destinations, benefits from the physical integration of the container with other transportation equipment such as road chassis, railcars and other means of hauling the standard-sized containers. Sophisticated port and intermodal industries have developed to support container transportation.

Reduced Shipping Time: Containerships can travel at a speed of up to 25 knots per hour, even in rough seas, thereby transporting cargo over long distances in shorter periods of time. Such speed reduces transit time and facilitates the timeliness of regular scheduled port calls, compared to general cargo shipping. However, since 2008, due to higher fuel prices and the negative effects of the global recession, most operators have reduced speeds and deployed more ships on some voyage strings. This has also had a positive environmental effect in helping reduce ship emissions.

Types of Container Ships

Containerships are typically "cellular," which means they are equipped with metal guide rails to allow for rapid loading and unloading, and provide for more secure carriage. Partly cellular containerships include roll-on/roll-off vessels, or "ro-ro" ships, designed to carry chassis and trailers, and multipurpose ships which can carry a variety of cargo including containers.

The main categories of containerships are broadly as follows:

- **Very Large:** "Very large" ships (with capacity in excess of 10,000 TEU) are currently exclusively deployed on the Asia-North Europe and Mediterranean and Transpacific trades. Middle East trades may at some stage see the regular deployment of ships with capacity exceeding 10,000 TEU.
- **Large:** Large ships have a capacity of 8,000 to 9,999 TEU and are currently deployed on the Transpacific, Asia-Middle East and Asia to Latin America trades.
- **Post Panamax:** Ships with a capacity of 5,000 to 7,999 TEU, so-called because of their inability to transit through the existing Panama Canal due to dimension restrictions. However, there are plans to widen the existing Panama Canal, with completion expected in mid to late 2015, which would allow ships with capacity of up to 13,500 TEU to transit the waterway. Ships of this size can be considered the workhorses of many smaller or emerging trade routes outside of the main East-West arteries.
- **Panamax:** Ships with a capacity between 3,000 to 4,999 TEU, which is the maximum size that the Panama Canal can currently handle. There is a fear that many of these ships may become redundant once the widened Panama Canal is fully open and carriers continue to deploy the largest vessels they can across their service portfolios in order to minimize slot costs.

- **Intermediate:** In this category, the ships range in capacity between 2,000 and 2,999 TEU and are generally able to operate on all trades.
- **Handysize:** Smaller ships with capacities ranging from 1,000 to 1,999 TEU, for use in regional trades – a primary example being the intra-Asian trades.
- **Feeder:** Ships with a capacity of less than 1,000 TEU, which are usually employed as feeder vessels on trades to and from hub ports or on small niche trades or domestic routes.

Container Shipping—Types of Owner

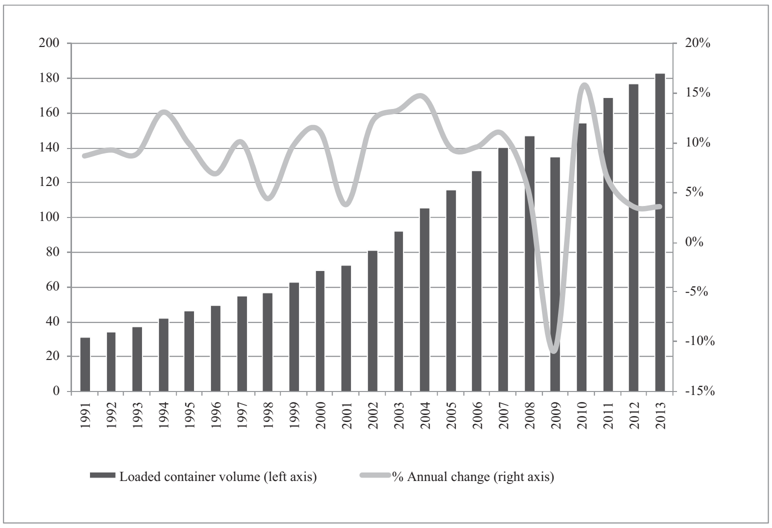
Containerships are owned by two types of shipowners, (i) liners, who own and operate their own and chartered-in ships, and (ii) independent non-operating owners, who do not operate vessels, but instead charter them out to liners. All liners charter ship tonnage from independent non operators, to an extent. Given the recognized industry oversupply, many large owner-operators may look to return chartered tonnage to owners upon the expiry of charters in the next twelve months. This is expected to be a risk for independent owners, particularly those focused on relatively small tonnage.

Containership Demand

In 2009, the volume of container trade contracted for the first time in history, due to the severity of the worldwide recession. However, in 2010, global container trade recovered in the wake of renewed growth in the world economy and inventory re-building. In 2011, approximately 169 million TEU of containerized cargo was transported by sea, representing an increase of 9.6% over 2010. In 2012, total container trade grew to 177 million TEU and currently available data for 2013 points to further growth to 183 million TEU.

The long-term trend in world container cargo volumes between 1991 and 2012 is shown in the chart below. During these years, world container trade grew at a CAGR of 8.6% in terms of volumes.

World Containerized Cargo: 1991 to 2013
(Million TEU per annum)

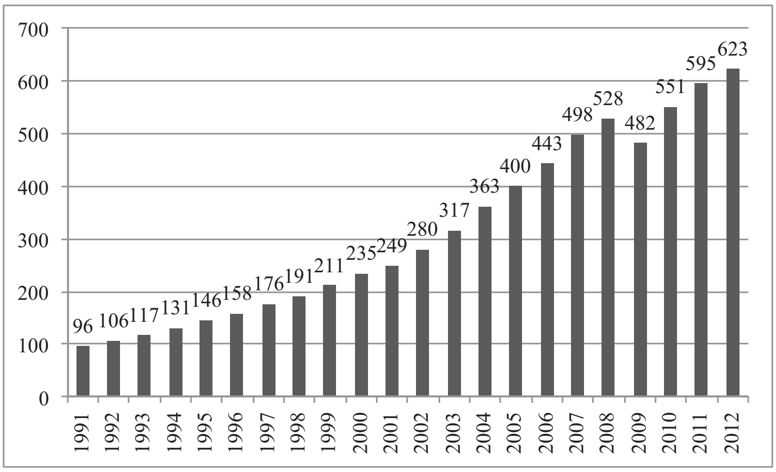


Source: Drewry

Another measure of containership demand is world container port throughput. World container port throughput is made up of three different traffic streams: loaded containers, empty containers and transhipment containers (full and empty). The following chart shows world container port throughput from 1991 through 2012 in terms of both loaded and empty container movements on a global basis. During this period, port movement of containers increased by approximately six times, from just over 96 million TEU in 1991 to 622 million TEU in 2012, equivalent to a CAGR of 9.3%.

World Container Port Throughput Including Empty Containers and Trans-shipments 1991 to 2012

(Million TEU per annum)



Source: Drewry

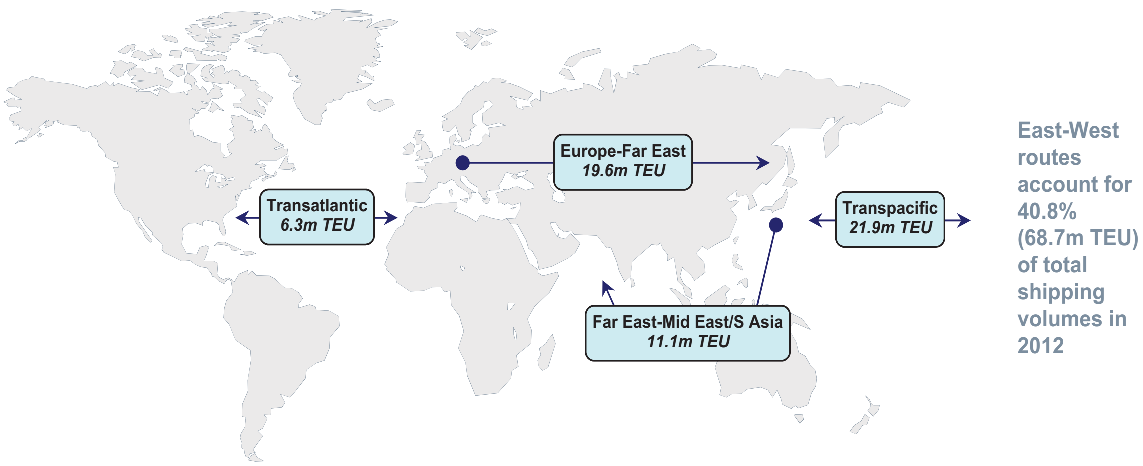
In 2013, provisional data indicates that global containerized cargo volumes continued to grow in absolute terms by 3.4%.

Growth in the container market has at times outpaced investment in port and canal infrastructure, which has occasionally resulted in congestion in some parts of the transportation chain. Congestion increases ships' time in transit and reduces overall efficiency. As the largest containerships are deployed in the major trades, incremental tonnage is required to feed cargo to these mother ships from ports that do not have either the volume or the infrastructure to serve very large vessels of over 10,000 TEU of capacity directly. In this context, both congestion and increased transshipment absorb shipping capacity, but do not represent incremental growth to the overall container market.

Main Container Trades

There are three core trades in the container shipping industry: the Transpacific, Transatlantic and Asia-Europe trades. These trades are often referred to as the East-West trades.

Containerized Seaborne Trade—Main East-West Routes



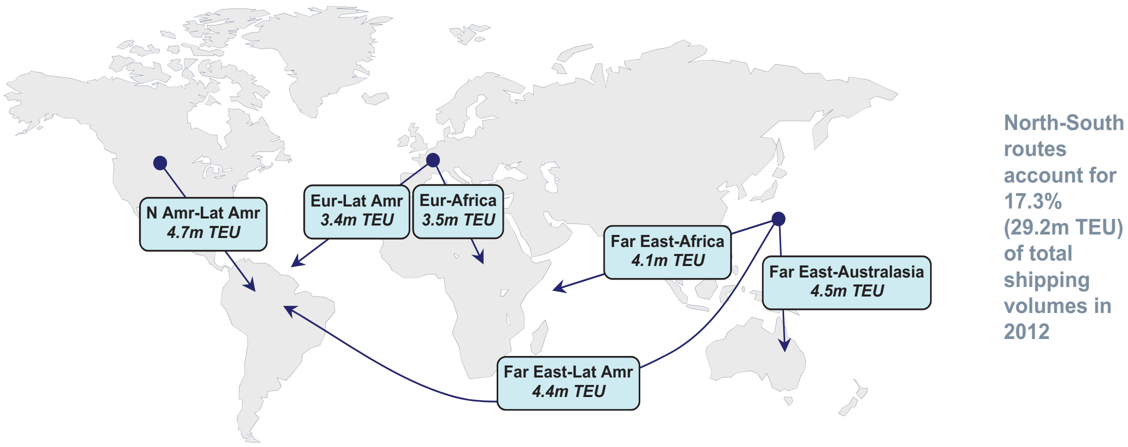
Source: Drewry

Trade along these lanes is primarily driven by United States and European consumer demand for products made in Asia. The volume of trade between Asia and the Middle East is now larger than that on the Transatlantic and should be considered as a major East-West trade on which carriers can deploy very large vessels.

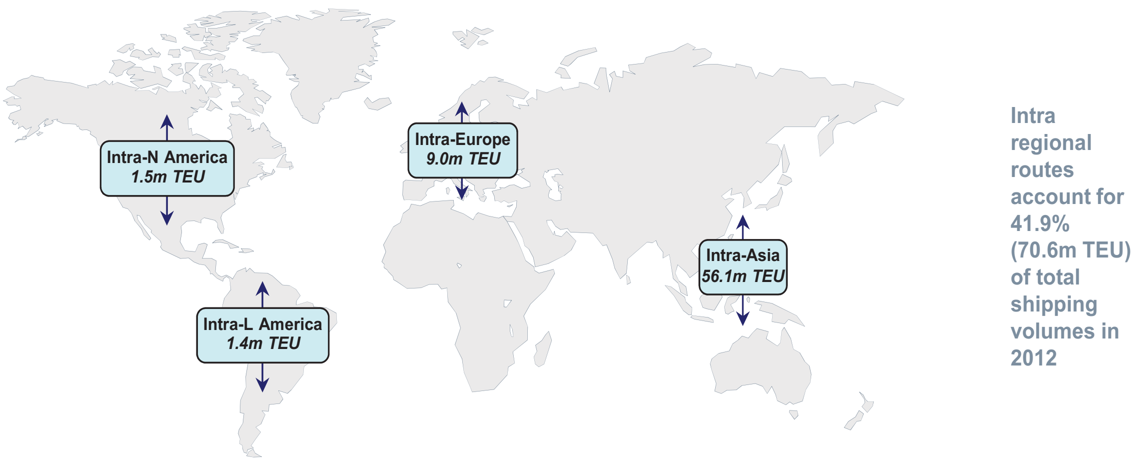
Supporting these core trades are the North-South trades and a network of regional trades, of which the largest is the intra-Asia market. Other regional trades include the Europe-Mediterranean, Caribbean-United States, Asia-Australia and North America-South America trades.

The maps below indicate the main North-South and intra-regional trades, while an indicative breakdown of global container seaborne trade by route for 2012 is shown in the table.

Containerized Seaborne Trade—Main North-South Routes



Containerized Seaborne Trade—Main Intra-Regional Trades



Source: Drewry

Main Container Shipping Routes: 2012

East/West	E/B	W/B	Total	% Change vs. 2011
Transpacific	14,421	7,498	21,919	2.3%
Transatlantic	2,670	3,630	6,300	1.0%
Europe-Far East	6,281	13,330	19,611	-1.8%
Europe-Mid East	2,840	870	3,710	6.6%
N.America-Mid East	870	240	1,110	5.7%
Far East-Mid East	1,610	4,445	6,055	-7.6%
Europe-S Asia	1,000	1,325	2,325	-6.1%
N.America-S Asia	570	870	1,440	1.4%
Far East-S Asia	1,900	3,170	5,070	4.5%
Mid East-S .Asia	270	910	1,180	2.6%
Total East/ West	**32,432**	**36,288**	**68,720**	**0.2%**

North /South	S /B	N/B	Total	% Change vs. 2011
Europe-Latin America	1,605	1,750	3,355	2.4%
Europe-Africa	2,115	1,350	3,465	3.4%
Europe-Australasia	500	190	690	0.0%
N.America-Latin America	2,650	2,070	4,720	4.3%
N.America-Africa	590	235	825	10.0%
N.America-Australasia	285	325	610	7.0%
Far East-Latin America	2,750	1,625	4,375	5.4%
Far East-Africa	2,830	1,310	4,140	4.8%
Far East-Australasia	2,950	1,520	4,470	5.8%
ME/S Asia-South	680	890	1,570	1.3%
South-South	520	495	1,015	6.8%
Total North/ South	**17,475**	**11,760**	**29,235**	**4.5%**

Intra-Regional	Total	% Change vs. 2011
Asia	56,126	6.5%
Europe	8,955	5.6%
North America	1,545	4.7%
Mid East	705	4.4%
Latin America	1,355	8.4%
South Asia	420	5.0%
Africa	865	6.8%
Australasia	595	3.5%
Total Intra - Regional	**70,566**	**6.3%**
World Total	**168,521**	**3.4%**

Route definitions:

North America includes USA, Canada and Mexico
Europe includes North/South Europe and West/East Europe
Far East includes North, East and SE Asia
Latin America includes ECSA, WCSA, Central America and Caribbean
Mid East includes Gulf, Red Sea and parts of Eastern Mediterranean
South includes Latin America, Africa and Australasia
Source: Drewry

Different trades are usually served by vessels of different sizes as determined by the volume of the trade, required service frequency and physical constraints of the ports visited. However, the average capacity of vessels deployed in some trades is increasing at a more rapid pace because of the effects of cascading and the fact that carriers believe that by deploying larger ships on some trades, they may reduce their average slot costs and be more competitive.

The East-West trades are generally served by the larger containerships, such as the Panamax, post-Panamax and large or very large vessels. The North-South trades are generally served by the smaller Handysize, intermediate and Panamax containerships. Regional trades are generally served by feeder and Handysize containerships. However, in recent years when capacity has out-stripped demand, carriers have started deploying larger vessels in some of these smaller or regional trades. The following table shows the trades on which different sizes of containerships may adequately be deployed. Individual liners or alliances may also take the decision to deploy considerably larger ships in a given trade for their own internal reasons.

Containerships -Typical Deployment by Size Category

Trades	Routes	<1,000	1,000-1,999	2,000-2,999	Ship Size Teu 3,000-4,999	5,000-7,999	8,000-9,999	10,000+
East-West	**Far East-Europe**						X	X
	Transatlantic				X	X		
	Transpacific				X	X	X	X
	Far East-Mid East				X	X	X	X
Other	**Intra-Asia**	X	X	X	X			
	North-South Routes		X	X	X	X	X	
	Other Intra-Regional Routes	X	X	X	X			

Source: Drewry

Containership Supply

As of October 1, 2013, the world fleet of fully cellular containerships consisted of 5,137 vessels, totalling 17.059 million TEU in capacity. These figures exclude multi-purpose and ro-ro vessels with container carrying capability.

World Cellular Containership Fleet by Size: October 31, 2013

Type	Size(Teu)	Oct 13		% of Total	
		No.	000 Teu	No	000 Teu
Feeder	<1,000	1,159	706	22.6	4.1
Handysize	1,000-1,999	1,231	1,733	24.0	10.2
Intermediate	2,000-2,999	667	1,695	13.0	9.9
Panamax	3,000-4,999	935	3,849	18.2	22.6
Post-Panamax	5,000-7,999	603	3,608	11.7	21.2
Large	8,000-9,999	347	2,988	6.8	17.5
Very Large	10,000+	192	2,480	3.7	14.5
Total		**5,134**	**17,059**	**100.0**	**100.0**

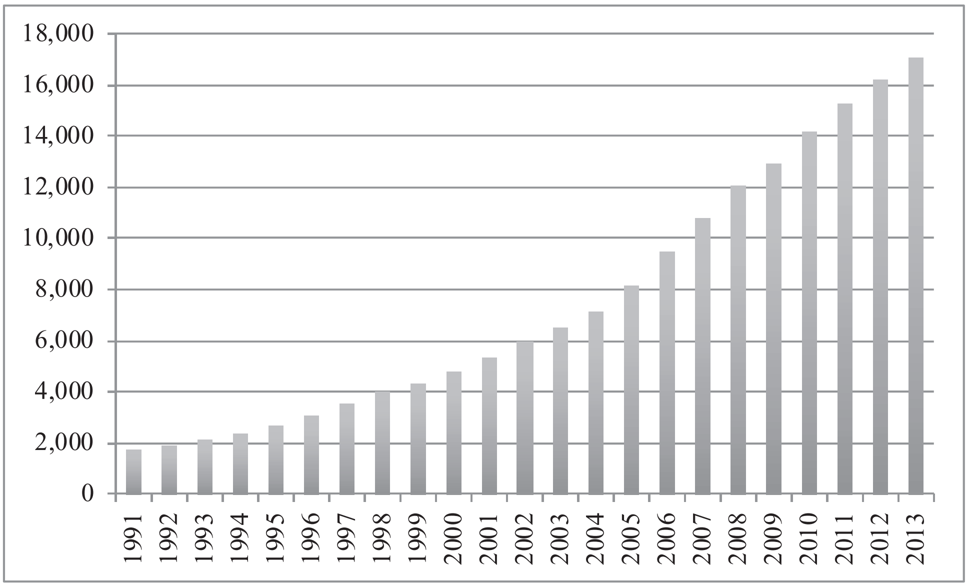
Source: Drewry

Historical Fleet Growth

The fleet has grown rapidly to meet the increases in trade, with capacity rising from under 2 million TEU at the end of 1991 to 17 million TEU in October 2013.

Development of World Container Fleet Capacity: 1991 to October 2013

(Thousand TEU—End Period)



Source: Drewry

In tandem with the growth in capacity of the overall fleet, average ship capacity has also steadily increased. The average capacity of containerships in service was 3,321 TEU as of October 1, 2013, as compared to 1,590 TEU in 1997. Average capacity is expected to continue to increase due to the number of large-sized containerships on order. The average capacity of containerships on order as of October 1, 2013 was 7,867 TEU, with the largest ships on order having a capacity of 18,400 TEU.

Containership Orderbook

As of October 1, 2013, the global containership new-built orderbook in terms of TEU was 3.63 million TEU, equivalent to 21% of the existing cellular containership fleet. This is low when compared to 2007-2008, when the orderbook reached the equivalent of 60% of the existing fleet, and it is below the average for the sector over the last decade. However, the orderbook is heavily influenced towards ships with capacity exceeding 8,000 TEU, which comprise 81% of the overall orderbook in TEU terms. At the other end of the spectrum, there are fewer new orders for ships with capacity below 3,000 TEU, which have traditionally been found in feeder or niche trade employment. This is because the capacity of feeder ships is increasing and vessels of 3,000 to 5,000 TEU are now considered to be the workhorses of the industry, providing feeder and transhipment services to the largest vessels working the main East-West routes.

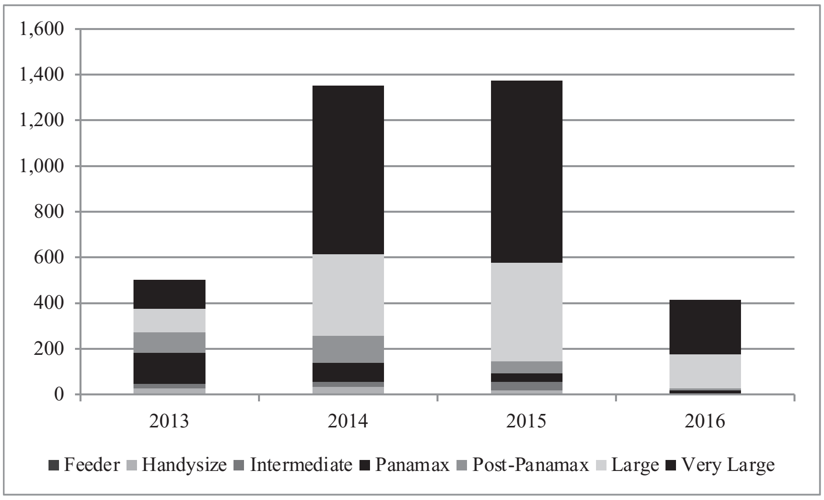
The current orderbook and its heavily skewed position to the largest ships have two potential major impacts. Firstly, the liners may find it increasingly difficult to manage an effective cascade of their operated tonnage across all trades as the largest vessels are deployed, and secondly, the larger ships are still relatively inflexible in terms of their deployment. As these ships are placed into service, they may put more pressure on the supply to demand balance within the relevant trades and ultimately on freight rates on such trades.

Containership Orderbook by Size, October 2013

Sector	Size (TEU)	Total No.	Total 000 TEU	% of Fleet
Feeder	<1,000	8	6	9.0%
Handysize	1,000-1,999	60	82	4.7%
Intermediate	2,000-2,999	37	86	5.1%
Panamax	3,000-4,999	65	267	6.9%
Post-Panamax	5,000-7,999	45	260	7.2%
Large	8,000-9,999	116	1,046	35.0%
Very Large	10,000+	132	1,887	76.1%
Total		**463**	**3,634**	**21.3%**

Source: Drewry

Containership Orderbook Delivery Schedule by Year of Delivery: October 2013
('000 TEU)



Source: Drewry

The size of the orderbook built up rapidly in the period from 2006 to 2008, when strong freight rates and robust demand on the key core East-West trades encouraged high levels of new ordering. The combination of deliveries, orderbook cancellations and conversions and an absence of new orders in 2009, led to the size of the orderbook contracting, but this position was reversed in 2011 due to renewed ordering of very large containerships, with new orders in the year totalling 1.5 million TEU. However, new ordering in the container sector in 2012 declined and amounted to just 0.42 million TEU. Since January 2013, there has been another surge in ordering with approximately 1.4 million TEU ordered. 56 ships of at least 10,000 TEU have been ordered since the beginning of 2013. Carriers are of the view that by deploying the largest possible ships across their core network of East-West trade routes, they may remain competitive and enjoy lower unit slot costs.

The ordering of ships with capacity exceeding 10,000 TEU is now no longer related to forecasts of future demand growth. All top 20 global operators, with the exception of CSAV, have stepped up to the large ship league, either through ordering for their own account or through the long-term lease of orders placed directly by independent owners or financial institutions.

Large and some very large containerships are expected to be able to transit the enlarged Panama Canal, including ships with capacity of up to 13,500 TEU. The largest containerships currently on order (18,400 TEU) are not expected to be able to transit the enlarged waterway and have been designed towards deployment in the Asia-Europe trade.

Demolition

Demolition activity has surged since the beginning of 2012. This has been driven by operators' desire to utilize the most fuel efficient tonnage, as many older container vessels are unable to provide owners and operators the cost savings they require. In addition, the charter market has not fully recovered since 2009 and most tonnage under 4,000 TEU has been unable to consistently earn revenue above operating costs. With costly special certificates required once a vessel reaches 15 years of age, some owners have decided to realize residual values, by scrapping the older sections of their fleet. This is likely to a continuing trend for the industry, especially as older Panamax vessels will increasingly become redundant once the widened Panama Canal is opened in late 2015.

In 2012, some 330,000 TEU was scrapped and based on preliminary figures some 400,000 TEU will be removed from the fleet in 2013, a record for the container industry. The two most obvious trends are that the average age of ships being scrapped is declining and the average size of vessel is increasing. In 2012, the average age of vessels scrapped was 23.4 years, down from around 29-30 years, with the average size ship increasing to 1,870 TEU, from approximately 1,500 TEU. These trends have continued throughout 2013.

Increased scrapping should act as a modifier to the growing global fleet which continues to affect the overall health of the industry. Should 400,000 TEU be removed in 2013, this will take out 2.4% out of the global fleet. However, it should be remembered that the majority of vessels being scrapped are not operating in the core east-west trade lanes and hence increased scrapping does not necessarily improve their individual trade route dynamics.

Void Sailings and Idle Tonnage

In some cases ocean carriers will cancel sailings instead of withdrawing service. This happened in 2012 and is likely to occur again in the winter of 2013/2014. Void sailings are one way of trying to match capacity with demand and it helps to improve utilization rates, thereby putting ocean carriers in a better position when negotiating freight rates.

The timing of cancelled sailings is often planned around attempts to introduce general rates increases (GRI). When sailings are reduced in large numbers, freight rates usually improve, although there are exceptions because freight rate levels are sometimes dependent on factors other than vessel utilisation. Freight rate improvements associated with cancellations are usually temporary.

At the beginning of September 2013, approximately 290,000 TEU, or 1.7% of the global fleet, was idle or inactive. This figure has declined since the beginning of 2013 and suggests that carriers would rather deploy larger tonnage and enjoy reduced slot costs, than maintain the supply-demand balance and by implication, freight rates.

Consolidation, Partnerships and Global Alliances

Liners also engage in various cooperation or capacity sharing agreements which allow them to enhance their service offering while maintaining flexibility and reducing costs. Such agreements may take several forms, depending on the level of responsibility and commitment of the liners involved. They include vessel sharing agreements, including alliances, slot swap or exchange agreements and slot charter agreements.

There are four main alliances among the major carriers, which involve vessel sharing agreements on certain trade routes. Alliances are the most developed form of cooperation or capacity sharing agreements. In any given trade, the members of an alliance may usually operate as an aggregate more vessels and weekly services than one carrier could operate on its own.

There are four main alliances.

- **Grand Alliance**—Orient Overseas Container Line (OOCL), Nippon Yusen Kaisha (NYK) and Hapag-Lloyd. At present, these lines have agreements on the Transatlantic and Asia to U.S. west coast Transpacific trades.

- **New World Alliance**—Hyundai Merchant Marine (HMM), Mitsui Overseas Lines (MOL) and American President Lines (APL), the liner arm of Neptune Orient Lines (NOL). At present, these lines have agreements on the Transatlantic and Asia to U.S. west coast Transpacific trades.

- **G6**—This is an extension of the Grand Alliance and the New World Alliance incorporating OOCL, NYK, Hapag-Lloyd, HMM, MOL and APL. The vessel sharing agreements operate in the Asia-North Europe and Mediterranean and Asia to U.S. east coast Transpacific trades.

- **CKYH or Green Alliance**—Cosco, K Line, Yang Ming, Hanjin. At present, these lines have agreements on the Asia-North Europe and Mediterranean and transpacific trades.

Pursuant to vessel sharing agreements, the liner companies will contribute a number of vessels to a particular service, based on the number of ports of call within the service. Vessel sharing agreements generally specify the size of vessels deployed and may or may not involve the sharing of certain operational costs and commercial arrangements in ports. Alliances may vary in terms of both scope and individual commitments of liners, and some liners may provide a larger number of ships or ships of a greater capacity. Marketing and service commitments to shippers are all handled individually by the relevant liners.

There are other less-binding operational cooperation frameworks between individual liners which are not commonly known by an industry title or name. These are simple vessel sharing agreements. Many carriers work with other liners in the intra-Asian market for example and agree to operate a service together, each liner providing a certain number of vessels. For instance, United Arab Shipping Company and China Shipping Container Lines have no formal or binding alliance agreement, but they do cooperate in terms of vessel sharing on the Asia-North Europe, Transpacific and Asia to Middle East trades.

Of the top 20 major ocean carriers, only Zim and Evergreen are outside of any formal alliance grouping in the core East-West trades, although Zim does contribute vessels to G6 services in the Transpacific trade. Similarly, Evergreen has a number of vessel sharing agreements with different liners in several trades.

Under a slot swap or exchange agreement between liners, the relevant parties agree to utilize an agreed number of slots on a given trade for an agreed time. Many of these agreements would involve a partner taking an agreed number of slots from another partner on a trade where it may not physically contribute any vessels of its own (either owned or chartered)

Slot charter agreements operate in a similar manner, except that they involve the purchase of slots from a carrier, rather than a mere swap. Even if the slot is not used commercially, the carrier still pays for it. Agreements may not necessarily be reciprocal. The vast majority of liners enter into these agreements to a certain extent. Such agreements enable carriers to have a presence in a trade without committing to buying or chartering their own vessels, and to broaden their service offering to their customer base.

The exact market share of alliances is difficult to determine, both on an individual trade and on the global scale. For example, Zim has a vessel sharing agreement with the G6 alliance in the Asia-U.S. east coast transpacific trade and with the Grand Alliance in the Asia to U.S. west coast transpacific trade. Many other lines also have slot/swap agreements with alliance members on a number of trades, which are undisclosed. Any analysis of total capacity provided by members of a specific alliance at a given point in time cannot necessarily give a truly accurate idea of market share.

The market shares of the main formal alliances in the core East-West trades as of October 1, 2013 are as follows:

Route	**Transpacific**		**Asia-N Europe**		**Asia-Med**	
Alliance	**TEU ‘000 capacity**	**Approx Market share %**	**TEU ‘000 capacity**	**Approx Market share %**	**TEU ‘000 capacity**	**Approx Market share %**
G6			477	17.5%	73	5.7%
G6/Grand Alliance	477	14.5%				
CKYH	733	22.2%	456	16.7%	239	18.5%
New World Alliance	379	11.5%				

Source: Drewry

At present, CMA CGM has existing vessel sharing agreements with both MSC and Maersk in the Transpacific and Asia-Mediterranean trade lanes. In the Asia to North Europe trade, it currently operates two weekly independent services. CMA CGM also has agreements with other lines in smaller trade lines which include UASC and CSCL on the Asia-Mid-East trade and a number of carriers including MSC and Maersk in the Asia to East Coast South America trade.

In June 2013, the three largest container lines (by capacity) – Maersk, MSC and CMA CGM, announced the creation of the P3 alliance. If the cooperation is approved by the regulatory authorities, the three carriers will deploy 264 vessels with a total capacity of 2.6 million TEU on the core East-West trades (Asia-North Europe and the Mediterranean, Transpacific and Transatlantic). Subject to regulatory approval, the lines will enter into a long-term vessel sharing operational agreement, due to commence from mid-2014, at the earliest.

Slow Steaming

Excess shipping capacity and rising fuel prices have prompted liners to reduce vessel operating speeds and thus reduce fuel costs, while at the same time requiring more ships to provide the same level of shipping capacity on a particular trade, and in doing so absorbing excess capacity within the market.

The impact of reducing sailing speeds on the number of days required to complete a round voyage on the three main trades is shown below.

Vessel Sailing Times

(Sailing Days—Round Voyage)

	Vessel Speed				
	24.0 Knots	20.1 Knots	19.4 Knots	23.0 Knots	17.7 Knots
Route					
Asia-Europe	36.5	43.5	50.5	—	—
Transpacific	—	—	—	23.4	30.4
Transatlantic	—	—	—	23.4	30.4
Typical No of Vessels Deployed	8	9	10	5	6

Source: Drewry

A typical Asia-North Europe string previously comprised eight 9,000 to 10,000 TEU vessels operating at design speeds of 24 knots. By reducing the sailing speed of the vessels to 20 knots, a further ship would be required to provide the same level of service. Given prevailing fuel costs and freight market conditions, the cost savings associated with slow steaming have become as important as the need to absorb additional shipping capacity. The exact savings depend on the technical specifications of the ship, the level of speed reduction and the prevailing fuel price, but a typical 5,500 TEU vessel sailing at 25 knots consumes approximately 168 tons of fuel a day. If the speed is reduced to 19 knots, consumption falls to approximately 74 tons a day.

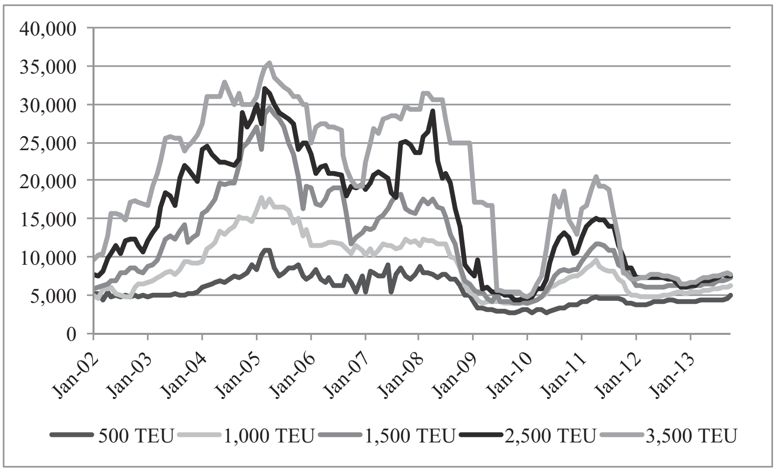
Other measures taken by the lines to reduce consumption include the use of silicone paint to reduce drag, the installation of waste heat recovery systems, the removal of bulbous bows and the de-rating of engines. In the last 12 to 18 months, some lines have also started to make bunkering calls at Vostochny or Vladivostok in Russia to take advantage of the considerably cheaper fuel, which is as much as $100 per tonne less expensive than in Rotterdam or Singapore.

Containership Charter Rates

The growth in demand for container shipping has generally increased demand pressure and over time has caused an increase in the charter rates paid to secure containerships. The following chart indicates annual average charter rates for representative containerships from 2002 to 2013.

One Year Containership Charter Rates 2002 to 2013

(Period averages US $/Day)



Source: Drewry

With some exceptions, charter rates for all vessel sizes increased steadily from 2002 into 2005, in some cases rising by as much as 50%, as charter markets experienced significant growth. In 2006, charter rates weakened due to supply rising faster than demand and market conditions. This trend continued in 2007 and 2008, and in 2009, rates fell even further due to rising supply and weak demand. In 2010 and 2011, charter rates recovered partly, but decreased again in the first half of 2012 as increases in supply once again outpaced the changes in demand. In January 2013, charter rates were close to the all-time low witnessed in 2009, and as such, below long term averages. Throughout 2013, the charter market has made no noticeable recovery across any individual vessel sizes due to oversupply and, in the final quarter of 2013, rates still remain below long term averages. Owners are not in a position to decide rate increases, because operators have the ability to switch to another similar size vessel and specification if they wish.

The main factors affecting vessel charter rates are primarily the supply and demand for container shipping. The shorter the charter period, the greater the vessel charter rate is affected by the current supply to demand balance and by the current phase of the market cycle (high point or low point). For longer charter periods, from three years to ten years, vessel charter rates tend to be more stable and less cyclical because the period may cover not only a particular phase of a market cycle, but a full market cycle or several market cycles. Other factors affecting charter rates include the age and characteristics of the ships (including fuel consumption, speed, wide beam, shallow draft, whether geared or gearless), the price of new-built and secondhand ships (buying as an alternative to chartering ships) and market conditions.

Container Freight Rates

Factors that drive vessel charter rates also affect container freight rates. Container freight rates are primarily driven by the supply and demand for container shipping, the cost of operating ships, fuel prices, and carrier behavior, including inter-carrier competition. To some extent, container freight rates are also affected by market conditions.

Average container freight rates fell sharply in 2009, as a result of the downturn in the market, but then increased again sharply in 2010 as throughput volumes rose. In 2011, freight rates were lower due to overcapacity and the continued uncertainty surrounding the outlook for the world economy. Rates slightly recovered in 2012, although they have been under constant pressure throughout 2013. The East-West trades have suffered because of severe market share competition, and rates have declined on the Asia-North Europe trade to below carrier break-even rates. Rates in the North-South trades have also suffered through the cascade of larger ships which has coincided with weaker demand across several emerging trade routes.

Freight rates for specialized cargo, including refrigerated products, usually carry a premium due to increased costs of transportation and more expensive equipment such as temperature-controlled containers. Many surcharges, including fuel, congestion, currency adjustment, peak-season and heavy weight, are standard practice in the industry and these are usually paid in addition to the basic port-to-port ocean freight rates.

There are significant variances between freight rates granted to shippers in the spot market (usually for relatively short periods of less than 30 days) and to beneficial cargo owners (freight payers) under longer-term contract conditions. Generally, beneficial cargo owners enjoy more competitive rates because of their high volumes across multiple trades.

Containership New-built Prices

New-built prices rose steadily from 2002, due to a shortage in new-built capacity during a period of high ordering and increased shipbuilders' costs as a result of rising raw material prices, and particularly steel. However, since the second half of 2008, weak market conditions significantly slowed new ordering to the point that virtually no new orders were placed for containerships in 2009. In 2011, prices weakened across all size bands and this weakness has continued into 2013, as shipyards were forced to cut prices.

The factors which influence new-built prices include ship type, shipyard capacity, demand for ships, "berth cover," *i.e.*, the forward book of business of shipyards, buyer relationships with the yard, individual design specifications, including fuel efficiency or environmental features and the price of ship materials, engine and machinery equipment and particularly the price of steel.

Containership New-built Prices: 2002 to 2013

(Average by Year US$ Millions)

TEU DWT	2,500 35,000	3,500 40-45,000	5,500 65-70,000	6,500 75,000	8,000 95,000	10,000 110,000	12,000 140,000
2002	29.1	33.1	52.0	64.0	n.a	n.a	n.a
2003	34.9	39.8	59.0	70.0	n.a	n.a	n.a
2004	46.1	53.4	79.4	91.1	n.a	n.a	n.a
2005	48.8	54.5	87.3	98.0	123.1	134.5	n.a
2006	45.3	55.6	85.0	97.1	117.8	134.4	145.9
2007	46.9	59.5	87.0	98.9	119.1	139.2	155.8
2008	54.3	60.9	92.2	102.6	125.6	130.9	137.7
2009	37.4	41.0	74.2	80.6	93.3	103.5	109.8
2010	36.3	38.6	68.8	75.5	88.1	100.0	106.1
2011	32.3	45.6	63.5	70.2	87.7	99.2	109.8
2012	35.1	43.1	59.8	62.1	80.8	93.2	106.2
October 2013	34.0	41.0	49.5	58.0	77.0	91.5	103.0

Source: Drewry

Containership Secondhand Prices

Secondhand values for containerships increased between 2005 and 2008, supported by a strong charter market, but prices collapsed in 2009 due to the economic crisis and the resulting oversupply in the industry. Prices recovered partially during 2010 and 2011, as charter rates returned closer to average historical levels, but weakened again in 2012 in the face of reduced freight rates. In July 2013, prices for 2,500 and 3,500 TEU vessels were approximately 50% below prices at the end of 2007. In current oversupply conditions, the valuation of some older secondhand tonnage which may also be seen as fuel inefficient is only marginally above scrap value.

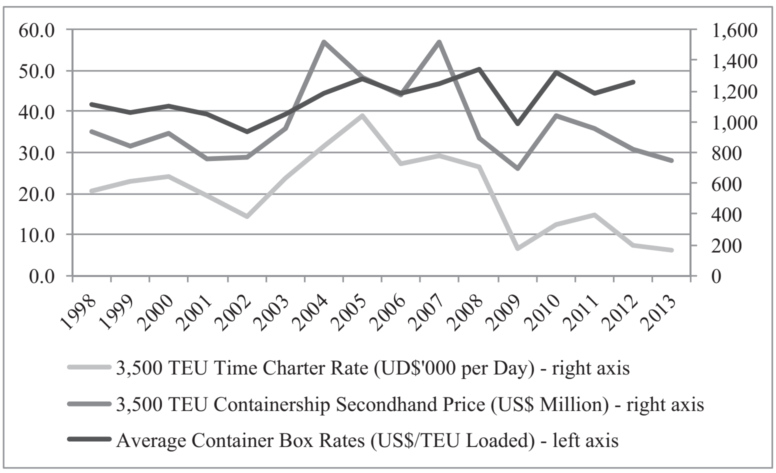
Vessel values are primarily driven by supply and demand for vessels. During extended periods of high demand, as evidenced by high charter rates, secondhand vessel values tend to appreciate and during periods of low demand, evidenced by low charter rates, vessel values tend to decline. Vessel values are also influenced by age and specification and by the replacement cost (new-built price) in the case of vessels up to five years old.

Values for younger vessels tend to fluctuate on a percentage, if not on a nominal, basis less than values for older vessels. This is due to the fact that younger vessels with a longer remaining economic life are less susceptible to the level of charter rates than older vessels with limited remaining economic life.

Vessels are usually sold through specialized brokers who report transactions to the maritime transportation industry on a regular basis. The sale and purchase market for vessels is usually quite transparent and liquid, with a number of vessels changing hands on an annual basis.

The relationship between container box freight rates, vessel charter rates and secondhand prices is shown in the chart below.

Container Box Rates, Vessel Charter Rates and Secondhand Vessel Prices



Source: Drewry

Container Shipping Owners

Independent owners are investing in specific sizes of containerships that are deemed adequate to obtain premium charter rates, such as, for example, wide beam or shallow draught vessels which may trade on the Latin American routes. Independents tend to own a higher proportion of small and average size containerships, whereas liners tend to own a higher proportion of above-average size containerships. Owner-operators tend to resort to the charter market when they require vessels of less than 4,500 TEU. Each category of owners controls about half of the global fleet of containerships, as the following table shows. This split has been stable in the last five years.

Containership Fleet Ownership by Type of Owner
(000 TEU and % of Total, as of July 1 of each year)

	< 4,000 TEU		4,000-7,999 TEU		8,000-9,999 TEU		10,000+ TEU		Total		As % of Overall Fleet	
	Carrier	Independent	Carrier	Independent	Carrier	Independent	Carrier	Independent	Carrier	Independent	Carrier	Independent
2007	1,396	2,553	2,143	1,927	897	503	119	-	4,556	4,983	47.8%	52.2%
2008	1,501	2,914	2,549	2,084	1,188	550	232	22	5,470	5,570	49.5%	50.5%
2009	1,597	3,050	2,692	2,472	1,281	635	376	44	5,946	6,200	49.0%	51.0%
2010	1,630	3,206	2,901	2,782	1,437	744	589	245	6,557	6,978	48.4%	51.6%
2011	1,649	3,290	3,111	2,885	1,595	812	789	614	7,145	7,601	48.5%	51.5%
2012	1,683	3,358	3,300	2,966	1,789	847	1,195	862	7,967	8,032	49.8%	50.2%
2013*	1,714	3,412	3,376	3,061	1,938	933	1,467	862	8,495	8,268	50.7%	49.3%

Notes : *As of 1 July 2013; includes a small percentage of "unknown owners"; some minor adjustments have been made to historical numbers

Source: Drewry

The top 20 liners, ranked by owned ship capacity, are listed in the table below.

Top 20 Liners (As of October 1, 2013)

								Scrapped in Last 12 Months		On Order		
Company	**Country**	**< 4,000 TEU**	**4,000-7,999 TEU**	**8,000-9,999 TEU**	**10,000+ TEU**	**Total TEU**	**Aveage (yrs)**	**No. of Vessels**	**000 TEU**	**No. of Vessels**	**000 TEU**	**Orderbook % Existing Fleet**
Maersk Line	Denmark	159	559	502	197	1,418	9.2	0	0	16	292	21
MSC	Switzerland	169	236	201	312	918	14.4	9	18	1	9	1
CMA-CGM	France	54	152	131	237	575	8.2	1	1	6	54	9
Evergreen	Taiwan	56	277	127	0	460	11.8	2	6	15	127	28
COSCO	China	96	220	0	121	437	11.7	5	15	5	68	15
CSCL	China	24	203	89	113	429	10.3	3	4	13	172	40
Hapag-Lloyd	Germany	59	120	122	92	394	12.8	3	10	3	40	10
OOCL	China	3	120	165	106	393	6.3	0	0	6	62	16
Hanjin	South Korea	4	162	93	118	377	7.8	0	0	1	5	1
APL	Singapore	10	105	55	189	359	9.1	4	17	10	111	31
NYK	Japan	51	147	100	0	298	8.1	0	0	0	0	0
K-Line	Japan	6	174	109	0	289	6.8	2	7	5	69	24
MOL	Japan	10	205	57	0	272	8.3	0	0	1	9	3
Hamburg-Sud.	Germany	56	162	39	0	257	6.3	1	1	10	85	33
PIL	Singapore	117	110	0	0	226	9.3	0	0	14	58	25
UASC	Kuwait	38	55	0	121	215	8.0	0	0	10	160	75
Wan Hai	Taiwan	86	88	0	0	174	11.1	1	1	0	0	0
HMM	South Korea	0	85	35	0	120	8.2	0	0	5	66	55
Yang Ming	Taiwan	18	49	0	0	66	8.8	1	4	7	33	49
Zim Integrated Shipping	Israel	5	0	0	10	16	10.0	2	6	5	60	389

Notes: Maersk Line includes Safmarine; CMA-CGM includes ANL, Delmas, CNC; Evergreen includes Hatsu Marine, Italia Maritima and Uniglory; Hamburg Süd includes Alianca

Source: Drewry

Scale Economies for Containerships

In addition to slow steaming and technology, cost savings can be achieved via changes in the size of ships deployed. The differential in slot costs between different ship sizes is the main factor behind the drive for larger ships in the containership industry and it helps explain the recent surge in orders for ships with capacity in excess of 13,000 TEU. Very large containerships can be considered strategic assets for carriers, for the following reasons:

- They provide economies of scale and cost reductions on a per-TEU basis.
- They burn less fuel and generate lower CO2 emissions per TEU and are more in line with new rules and regulations governing ship design than older, intermediate size or smaller ships.
- They may raise the barriers to entry for potential new entrants, given the investment required for very large containerships and the present inability to employ very large containerships flexibly on routes outside the main East-West trades.

Very large ships have become increasingly common on the main East-West routes, but are not currently used on other routes, partly because they are less flexible in terms of their deployment and face operational limitations in certain ports or on certain routes, due to insufficient volumes, operational limitations, or both.

BUSINESS

Overview

Our Company

We are a leading provider of global container shipping services. In terms of capacity, we are the largest provider of container shipping services in France and the third largest in the world. We offer our services through a global network of 129 main lines and 53 feeder lines, calling at approximately 400 ports in 135 countries as of September 30, 2013, with the support of 168 shipping agencies operating through more than 671 offices worldwide.

As of September 30, 2013, we operated a fleet of 430 container ships with a total capacity of 1.559 million TEU and a weighted average age, based on total TEU, of 7.1 years, of which we chartered 349 and owned 81. As of September 30, 2013, we maintained a 2.25 million TEU fleet of containers, of which we leased approximately 79% and owned the remainder. As of September 30, 2013, the book value of our owned containers was $666.8 million. The market value of our owned vessels is assessed every six months by calculating the average of three independent ship brokers' valuation, which was $4,058.8 million as of June 30, 2013.

We transported over 11.2 million TEU in the twelve months ended September 30, 2013 on behalf of a globally diversified base of more than 100,000 customers, of which over 8,000 have shipped more than 100 TEU in 2013 to date. We generated revenue of $16.0 billion and EBITDA of $1.4 billion for the twelve months ended September 30, 2013.

We have an extensive network of lines and shipping agencies offering services in the principal Asia-Europe, Transpacific, Australasia, Transatlantic, Latin America, Caribbean and Africa markets, which we operate either via CMA CGM, via subsidiaries such as ANL, Cheng Lie Navigation and MacAndrews or under our Delmas brand. This extensive network allows us to focus both on high-volume markets, such as Asia-Europe and Asia-North America, and niche markets, such as the Caribbean, Black Sea, Africa and intra-Asia markets. In China, we established operations in 1996 and now make direct calls in a broad range of 13 ports, supported by our own shipping agency network of 61 offices.

Our extensive network is further supported by strategic agreements (or "alliances") with other carriers, which allow us to reduce our cost base while extending the scope of our services. These alliances include agreements with MSC covering the Asia-Northern Europe trade, with Maersk covering the Asia-Mediterranean trade and with both Maersk and MSC on Transpacific trades to the United States west coast. We also recently announced the P3 alliance with Maersk and MSC, which, if it receives the necessary regulatory approvals, will cover six of the largest mature markets on East-West trade lanes including Asia-Northern Europe, Asia-Mediterranean, Asia-U.S. west coast, Asia-U.S. east coast, Transatlantic North and Transatlantic South.

Through our main lines, which are supported by our extensive feeder lines, and in conjunction with our alliances with other carriers, we have established a diverse market mix, with no single geographic market accounting for more than 15% of our annual volumes transported. We believe that our broad network and the variety of ports served by our main and feeder lines provide us with a competitive advantage in our key areas of operation and reduce our exposure to declines in demand for container shipping services that are limited to certain regions or certain trades.

To complement our container shipping services, we offer logistics services and inter-modal container transportation services that allow us to provide door-to-door transportation of cargo. To provide these services, we have established inland transportation systems, including by rail, road and waterway, to ensure reliable connection to our shipping lines, particularly in France, Northern Africa, Asia and India. We provide these services either ourselves or through third-party contractors.

We also invest in port terminal facilities where we have significant operations. Through these investments, we gain preferred access to berths and greater control over port activities. We currently have interests in or agreements related to 20 ports, both directly and through our joint arrangement, Terminal Link, including in or around Le Havre, Dunkirk and Marseilles/Fos (France), Malta, Tangier and Casablanca (Morocco), Antwerp and Zeebrugge (Belgium), Martinique and Guadeloupe (French Antilles), Miami, Houston and Long Beach (United States), Pusan (South Korea) and Xiamen (China).

Over the past 35 years, we have grown from being a regional Mediterranean carrier with a single ship into a leading provider of global container shipping services with a fleet of 430 container ships as of September 30, 2013. From 1992 to 2013, we grew from the twentieth largest to the third largest container carrier in the world, measured by capacity, a position that we have held continuously since 2006. From January 1, 2009 (a low point in the industry cycle) to December 31, 2012, we achieved compound annual growth rates on volumes transported of 10.4%, derived primarily through organic growth. For the period beginning January 1, 2009 and ending September 30, 2013, our volumes transported and related operational metrics have grown as indicated in the following table:

	Year ended December 31,					Nine months ended September 30,	Nine months ended September 30,
	2009	2010	2011	2012	CAGR(1)	2012	2013
Volumes transported (TEU thousands)	7,882	9,041	10,016	10,603	10.4%	7,987	8,542
Total fleet capacity (TEU thousands)	1,040	1,224	1,345	1,446	11.6%	1,425	1,559
Container vessels operated	352	396	394	414	5.6%	412	430
Container fleet (TEU thousands)	1,705	1,856	2,101	2,155	8.1%	2,159	2,249
Average revenue per TEU	1,337.6	1,580.6	1,484.6	1,501.8	—	1,496.1	1,403.7

(1) Compound annual growth rate between January 1, 2009 and December 31, 2012.

Our Competitive Strengths

We believe our competitive strengths include:

Global reach with geographically diversified operations and leading market positions. We operate a global container shipping network made up of 129 main lines and 53 feeder lines and calling at approximately 400 ports in 135 countries as of September 30, 2013. Our operations are supported by an extensive global network of 168 shipping agencies operating through more than 671 strategically-located and locally-staffed offices worldwide, including, for example, our Chinese shipping agency, which we established in 1996 and which today operates through 61 offices. We own or have a majority stake in 122 of our shipping agencies, which accounted for approximately 95% of our volumes transported in 2012. Our agencies act as our local sales, marketing and customer service representatives. We aim to provide our customers with global seamless shipping services through our network of lines and agencies which connects six continents. With this breadth of coverage, we can offer our customers a range of lines, scheduling alternatives and services to fulfill their container shipping requirements.

We have a leading market position in the container shipping industry, including on high-volume trade routes and higher margin, niche routes. With total fleet capacity of 1.559 million TEU as of September 30, 2013, we are the largest provider of container shipping services in France and the third largest in the world in terms of capacity and we have more than 1.8 times the capacity of the fourth player in the industry. We have a strong market position in the Asia-Europe market with a market share of 11.0% in terms of volume in 2012. In addition, we had a 16.5% market share on the Europe-to-Indian South Coast-Middle East trade, a 14.3% market share on the Central Europe-South American trade and a 6.5% market share on the Transpacific trade, in each case in terms of volume in 2012. We have also built strong, and in many cases leading, services in underserved ports and smaller markets, such as the Caribbean, the Adriatic Sea, the Black Sea and the African and the intra-Asia markets. No single market represents more than 15% of our annual volumes transported. We believe that our geographic diversification helps protect us from regional fluctuations in demand and freight rates, while our leading market position allows us to take advantage of economies of scale and strengthen our bargaining power when negotiating the terms of our contracts for operational and capital expenditures, as well as financings.

Efficient cost base. Since 2011, we have implemented a specific cost cutting program focused on improving our financial performance and increasing the resilience of our business in cyclical downturns by lowering our cost base. We have implemented a broad range of cost reduction and efficiency measures across our organization, including stricter control of transshipment and container pick-up and drop-off fees, increased emphasis on cooperation agreements with other industry participants, direct ownership of a network of shipping agencies and other strategic assets in our logistical chain, outsourcing of certain back-office operations to shared service centers in India and China and reduced reliance on third-party consultancy arrangements, particularly in IT. Of particular importance in these efforts have been our initiatives to reduce bunker fuel consumption, which represents our largest individual operating expense. For instance, we have modified the rotation of some of our lines to introduce ports of call in which refueling can be done more cheaply, we have increased the frequency of key maintenance actions, such as propeller and hull cleaning, that reduce fuel consumption, we have developed the use of slow steaming wherever possible, and we have modernized our fleet by adding new, larger and more fuel-efficient vessels. We have also set up a single ship operating center staffed by a team of experienced officers that oversees our entire fleet of 430 vessels. This center monitors speed and route requirements and has direct access to every officer on board of those vessels so that any deviation from schedule may be immediately challenged and, if need be, rectified. The team is also in charge of improving fuel efficiency and the punctuality of all our lines. These initiatives have helped us consistently outperform industry-average EBIT margins by 3.1% to 10.7% on a quarterly basis since the first quarter of 2010, an average of 7.6% per quarter during this time period. Our reduced cost base has also contributed significantly to an increase in our profitability in 2012 and the first nine months of 2013. Although our total volumes transported in the first nine months of 2013 were approximately 7% higher than in the first nine months of 2012, our operating expenses were only approximately 2% higher.

Flexible fleet with balanced ownership policy. As of September 30, 2013, we operated a fleet of 430 ships, with capacity ranging from 120 TEU to 16,022 TEU, of which we owned 81, chartered 36 with a remaining lease term ranging between one and five years, chartered 35 with a remaining lease term of more than five years and chartered 278 with a remaining lease term of less than one year outstanding, with total fleet capacity of 1.559 million TEU. In terms of size, our fleet currently consists of 62 ships of more than 7,000 TEU (of which 30 ships of more than 10,000 TEU), representing 655,077 TEU or 42.0% of our fleet capacity, 155 ships ranging between 2,500 and 6,999 TEU, representing 610,446 TEU or 39.1% of our fleet capacity, and 213 ships of less than 2,500 TEU, representing 293,760 TEU or 18.8% of our fleet capacity. The composition of our fleet provides us with a significant degree of flexibility in our operations. We are able to adapt the size and speed of our vessels, particularly our new technologically advanced vessels with lower fuel consumption, in accordance with demand. For example, we have recently redeployed one of our largest ships to the Asia-U.S. west coast trade from its usual Asia-Northern Europe route in a reaction to demand fluctuations on these trades. Our use of short-term vessel charter agreements allows us to align our cost structure with our projected demand more quickly. For example, in 2009, we took advantage of a steep reduction in charter rates to reduce our chartering costs from $1,876.4 million in 2008 for a chartered fleet of 296 vessels as of December 31, 2008 to $1,528.6 million in 2009 for a chartered fleet of 268 vessels as of December 31, 2009. The share of total chartering costs as a percentage of our total operating costs has gone from 13.0% in 2008 to 10.1% in the nine months ended September 30, 2013. We have since been able to maintain similarly low chartering costs while the size of our fleet significantly increased, due to low charter rates and our use of short term charter agreements. In 2012, our chartering costs were $1,510.4 million for a chartered fleet of 330 vessels as of December 31, 2012.

Diversified and loyal customer base founded on strong reputation. In 2013, we had over 100,000 customers, of which more than 8,000 had shipped more than 100 TEU to date. Our customer portfolio is highly diversified by both geography and industry sector and is generally balanced between direct shippers, such as BASF, IKEA, Renault and Samsung, and leading freight forwarders. For the ten months ended October 31, 2013, our top 20 customers by volume accounted for approximately 15.7% of our total volumes transported, and we had no customer that accounted for more than 2.5% of total volume. We believe that this diverse customer base helps reduce the adverse effects of downturns in a particular region or industry. In addition, we have developed and maintain longstanding relationships with many of our customers, including many multinational companies. As examples, we were named “Best Partner of the Year” by Samsung SDS in April 2012 and “Best Partner of 2013” by SONY in June 2013. We have been successful in acquiring and retaining key account customers. For example, our top 20 customers in 2005 all remained significant customers in 2013. We believe our reputation for quality and reliability, together with our global reach and leading market position, gives us an advantage over our competitors and allows us to avoid competing solely based on price.

Reinforced cash position and capital base. In 2012 and to date in 2013, in an effort to improve the resilience of our business against the volatility in the container shipping industry, we significantly improved our liquidity and strengthened our capital structure by disposing of assets and obtaining equity funding from third-party investors. In particular, in June 2013, we sold a 49.0% stake in Terminal Link to CMHI for a cash consideration of $528.0 million, and in January 2013, Yildirim and FSI agreed to subscribe to $100.0 million and $150.0 million, respectively, of ORA, in addition to the $500.0 million of ORA acquired by Yildirim in January 2011. Our available cash position as of September 30, 2013 was $1.1 billion (net of overdrafts), and our gearing ratio (as defined by the February 2013 agreement with our group of bank lenders) was 0.77. In January 2013, as part of our debt restructuring, we also agreed a new set of covenants with our bank lenders, which includes a combination of minimum cash requirements, a maximum gearing ratio (both of which we significantly outperformed as of September 30, 2013) and restrictions on additional long term chartering and capital expenditures. We believe that these amendments make the Company better able to weather cyclical downturns in the container shipping industry, as they are linked primarily to gearing and cash position and as such are less sensitive to short-term fluctuations in our profitability.

Experienced management team. We benefit from what we believe to be one of the most highly qualified and experienced management teams in the container shipping industry. Jacques R. Saadé, the founder of CMA S.A., has been instrumental in building the business since its inception in 1978 from a niche French container shipping services provider to a significant global business with approximately 16,000 full-time equivalent employees, including approximately 4,350 in France, as of September 30, 2013. Mr. Saadé is supported by a senior management team, many of whom have long periods of service with the Company. We also selectively hire senior managers from outside the Company to provide our management team with new views, ideas and skills. Our management team is organized with a focus on broad information-sharing, timely decision-making and rapid responses to arising opportunities. Our five most senior executives have on average over 20 years of experience within the industry. In addition, at the operational level, we rely on our experienced team of line managers to optimize the cargo mix on each ship and on each line and load vessels efficiently, with a view towards maximizing profits while maintaining a high standard of quality.

Our Strategy

Our principal strategies are as follows:

Increase revenue from higher growth areas and markets. We intend to actively pursue opportunities on trades that are exhibiting significant growth, such as Asia-South America and North-South trades such as Europe-Africa. According to the Drewry Container Forecast report for the third quarter of 2013, volumes between the South American east coast and Asia grew by 16.4% between 2010 and 2011 and by 8.2% between 2011 and 2012 and are expected to grow by a further 10.2% between 2012 and 2013. We are already active in this area, with a market share of approximately 7.5% in terms of volumes in 2012. Similarly, although freight rates on the intra-Asia trade are extremely competitive, this area also demonstrates healthy opportunities for growth, with annual volumes of Asian ports growing by 15.6% between 2010 and 2011 and by 10.1% between 2011 and 2012, according to the Drewry Container Forecast report for the third quarter of 2013. Through Cheng Li Navigation, our subsidiary since 2007, we are already active in this area, with a market share of approximately 6% in terms of volumes in 2012. We are also concentrating on opportunities such as the reefer market, which still benefits from the conversion of conventional reefer transport to containerized transport and provide better profitability than the dry market. Our strategy in the reefer market is to identify very specific trades such as fruit and vegetables from Spain, citrus from Morocco or grape from India and provide shippers with logistics solutions including the introduction of ad-hoc container services. We believe that our substantial expertise, extensive network and track record of identifying and seizing upon opportunities in niche markets allow us to leverage our position in these higher growth areas and markets. We will also seek to increase our detention and demurrage revenues.

Improve capacity management in mature markets. We expect to improve our capacity management on trades the volumes of which have stabilized, such as Asia-Europe and Asia-United States. Transpacific volumes grew by 2.1% between 2010 and 2011 and by 2.8% between 2011 and 2012, while volumes on Asia-North Europe trades grew by 2.4% between 2010 and 2011 and decreased by 2.1% between 2011 and 2012, according to the Drewry Container Forecast report for the third quarter of 2013. Since these markets no longer exhibit volume growth, we plan to improve capacity management to reduce costs and increase profits. These initiatives include more precise management of our ships' speed in order to improve fuel consumption and cooperation agreements which permit more frequent departures and allow us to reach more ports, improve slot utilization and increase reliability while reducing slot costs. We currently have cooperation agreements in place with Maersk on the Asia-Mediterranean trade, with MSC on the Asia-Northern Europe trade, and with both Maersk and MSC on Transpacific trades to the United States west coast. We recently announced our P3 alliance with both Maersk and MSC, which, if it receives the necessary regulatory approvals, will cover six of the largest mature markets, including Asia-Northern Europe, Asia-Mediterranean, Asia-U.S. west coast, Asia-U.S. east coast, Transatlantic North and Transatlantic South.

Additional cost-reduction initiatives. We intend to add additional cost-reduction measures to our existing cost-reduction program to further increase efficiency and reduce expenses. One of such measures is to continue to outfit new vessels and retrofit existing vessels with specially-shaped bulbous bows to reduce drag. We believe that use of such bulbous bows throughout our fleet, in conjunction with increased use of slow steaming, will contribute to significant further reductions in our fuel costs. Another measure is the continued deployment of newer and larger vessels that generate cost savings and economies of scale. Where appropriate, we also intend to increase inland haulage volumes to gain leverage on haulage purchase price and purchase transportation from third-party feeder lines rather than deploy our own tonnage. We may also where appropriate convert feeder lines into mother lines, hence eliminating transshipment costs. In October 2013, we entered into a strategic partnership with SAP to develop a new information system that will cover commercial, as well as operational and financial processes, to allow for seamless data processing and improve availability of information throughout the Company and its subsidiaries. As this system will be tailored specifically to maritime transport, we believe it will enhance our efficiency and flexibility. Deployment of the new system is targeted to commence at the end of 2015 and to be implemented fully by 2017. We expect that the implementation of these and other cost-reduction techniques will continue to help us improve our profitability.

Increase revenue diversification. We plan to cultivate sources of revenue that complement our core maritime transport business. These complementary services include additional transport businesses, such as inland transport services and containerized reefer cargo. We believe that expanding our inland transport services, including transport via rail, road and waterway as well as local transfers by sea, will enable us to continue to transport containers door-to-door, offer customers a variety of supply chain management solutions and better manage our fleet of containers. Containerized reefer cargo provides clients with greater protection of their cargo against weather damage and risks of theft and allows for greater flexibility than conventional reefer capacity. When properly managed, reefer containers are more profitable than conventional reefer capacity, as a result of higher revenue and faster turn-around of equipment, and we believe that the market dynamics of containerized reefer cargo will continue to improve as conventional reefer capacity declines. As of September 30, 2013, we operated 156,400 TEU of reefer containers, representing 7% of our total container fleet. In addition to these complementary transport businesses, we also intend to continue to develop logistics services, such as those we offer through our subsidiary CMA CGM Logistics, which coordinates activities across all stages of the supply chain, including stock management, disassembling, packaging, packing, shipping, customs formalities, reassembling and distribution. We believe that expanding these complementary services will enable us to provide our customers with a greater range of alternatives and will enhance our position as a full-service provider.

Improve customer services. We intend to maintain our efforts to improve customer services throughout our network by increasing our offer in terms of transport solutions on land and at sea. The P3 alliance, if and when cleared by relevant authorities, would allow a substantial improvement in available direct links and port pairs between Asia, the United States and Europe, which would decrease transit time and transshipment of volumes to the benefit of our customers. Independently of the P3 alliance, we also intend to expand our offer in terms of specialized cargo. We have developed, with a fully dedicated team, an expertise in carrying heavy lift or out-of-gauge cargo such as trains, parts of planes, large pieces of industrial cargo, yachts and other items; we also have a fully dedicated team focusing on reefer cargo to ensure the fastest possible delivery of each shipment of reefer cargo. We have also recently launched a new website where our clients are able to book our services, issue bills of lading and track containers once they have been loaded.

Focused investment program. We intend to continue to invest in selected strategic assets in the chain of logistics, such as vessels, dry ports, terminals and logistics assets to support revenue diversification. We have already invested in dry ports or container depots in India, North Africa and in logistics hubs such as Duisburg (Germany) where cargo can be transferred from rail to barge or truck or can be stored. We are also contemplating various developments in dry ports and terminals in Asia, the Caribbean and Sub-Saharan Africa. We believe that continuing to invest in strategic assets in the logistical chain which may take the form of wholly-owned subsidiaries, majority stakes, or strategic minority positions will help us maintain our cost structure while supporting revenue diversification. In terms of new shipbuilding orders, our focus will continue to be on strategic assets such as post-Panamax ships in conjunction with the Panama Canal expansion program. We will invest selectively in new ships and favor chartering arrangements, including ones coupled with shipyard financing arrangements as shown by our recent orders.

History

CMA S.A. (*Compagnie Maritime d'Affrètement*), one of our predecessor companies, was founded on September 1, 1978 by our current chief executive officer, Jacques R. Saadé, when he initiated a regular line between the west Mediterranean, Lebanon and Syria from CMA S.A.'s base in Marseilles. Subsequently, CMA S.A. began regular services between North Europe and the Middle East, thereafter making inroads into Asia and particularly China, where we are now established as one of the largest container carriers in terms of capacity.

In November 1996, CMA S.A. acquired CGM S.A., a state-owned French operator. The two companies contributed complementary routes to the newly-formed CMA CGM, as CMA S.A. historically operated within the Asia-Europe and Transatlantic markets and CGM S.A. focused on selected lines between France and its former and current territories in Africa, the Caribbean and South America. Since the acquisition, we have principally focused on developing new lines between Asia and the east and west coasts of the United States, and between the United States and India.

In 1998, we acquired ANL in order to establish ourselves in the Australasia market.

On December 31, 2002, we acquired MacAndrews & Company Limited, a short-haul carrier based in the United Kingdom, which operates container shipping services to Spain, Portugal and ports around the Baltic Sea, as well as shipping agencies in each of these markets.

In January 2006, we acquired Delmas, a company based in Le Havre, France, which primarily operates container shipping services to Africa from Europe and Asia, as well as shipping agencies in Africa. As a result of this acquisition, we became the third largest container carrier in the world by capacity.

In March 2007, we purchased a majority interest in Taiwan's Cheng Lie Navigation Co. Ltd., a leading container transportation company active in the intra-Asian market. Also in May 2007, we acquired Compagnie Marocaine de Navigation ("Comanav"), the former Moroccan national shipping company, which has passenger transport operations, port operations, container transport operations and an interest in the strategic Tangier, Morocco port terminal.

In December 2007, we acquired U.S. Lines, a company headquartered in Santa Ana, California, which specializes in transpacific connections between Australia, New Zealand and the U.S. west coast.

In January 2011, a subsidiary of Yildirim Holding, an investment company organized under the laws of Turkey, subscribed to $500.0 million of ORA corresponding to a 20.0% stake in the Company upon conversion in December 2015.

In June 2011, we sold 50.0% of Malta Freeport to a subsidiary of Yildirim Holding for $289.1 million (at the time, €200.0 million), subject to payment of a guaranteed annual dividend to Yildirim in respect of the 2011 to 2022 fiscal years.

In June 2012, we merged Delmas into the Company. We continue to use the "Delmas" brand, which we believe is well recognized and appreciated in African trades.

In August 2012, we sold our remaining 39.0% stake in Compagnie du Ponant for a total consideration of $83.0 million. The Company provided a vendor loan of €65.0 million to the acquirer, of which €25.0 million was repaid in May 2013 and €40.0 million is due in August 2017. The loan bears interest at 5% per annum.

In January 2013, we merged our River Shuttle Container, Land Transport International France and Rail Link Europe subsidiaries into one company called "Greenmodal."

In January 2013, Yildirim subscribed to $100.0 million of ORA, corresponding to a 4.0% stake in the Company upon conversion in December 2015.

In June 2013, the Company sold a 49.0% stake in its Terminal Link subsidiary to CMHI, the largest public port operator in China, for a cash consideration of $528.0 million. Terminal Link operates a global network of 14 terminals located in Europe, Asia, North America and Africa. We no longer consolidate Terminal Link in our financial statements, as this qualifies as a joint arrangement.

In June 2013, FSI subscribed to $150.0 million aggregate principal amount of ORA, corresponding to a 6.0% stake in the Company upon conversion in December 2020.

Services

Container Shipping

Container shipping is our core activity. Substantially all our revenue is derived from container shipping or related services.

We primarily transport three categories of goods: low/middle market consumer goods (approximately 60% of our volumes transported), raw materials and agricultural products (approximately 30% of our volumes transported) and luxury/high end goods (approximately 10% of our volumes transported).

A typical container shipment will start at the sender's designated address, when an empty container is delivered to our customer's premises. Once the sender has filled the container with cargo, the container is transported by truck, rail, barge, or a combination of the three, to a container port, where it is loaded onto a container ship. The container is shipped either directly to the destination port or via a hub, where it is transferred, or transshipped, to another ship. When the container arrives at the final destination port, it is off-loaded from the ship, and delivered to the recipient's premises via truck, rail or barge, or a combination of the three. Except where we provide value-added services as described under "*—Logistics Activities and Inter-Modal Container Transportation Services*," we are often responsible only for the ocean leg of the container's journey, with customers or intermediaries arranging and executing the inland legs.

We operate our container shipping services globally but primarily in the principal Asia-Europe, Transpacific, Australasia, Transatlantic, Latin America & Caribbean and Africa markets. We were pioneers in implementing a "hub-and-feeder" system for container shipping, which connects our main lines with our feeder lines serving local less developed markets from our primary hubs in the Mediterranean, Asia, the Caribbean, North Africa and the Middle East. We believe these connections between main and feeder lines are critical to our success.

We operate our container shipping services through a variety of different lines. Each of our lines represents a particular offering of regularly scheduled ports of call and sailing times, dates and frequencies. We classify our lines as either main lines or feeder lines. Our main lines are the services that we offer on our intercontinental routes, and our feeder lines are the services that support our main lines by calling at one of our hubs and usually one or two other smaller ports. Most of our main lines and feeder lines run on weekly schedules.

Our main lines. The following table provides information relating to our main lines as of September 30, 2013.

	LINES	OUR SHIP (1)	SLOT SWAP (2)	SLOT PURCHASES (3)
Feeders	53	40	5	8
Mothers	129	102	11	16
Total	182	142	16	24
ROUTES				
ARABIAN GULF-EAST AFRICA	1	1		
ASIA-AUSTRALIA	3	2		1
ASIA-CENTRAL AMERICA	1	1		
ASIA-COLOMBO-MIDDLE EAST GULF	1	1		
ASIA-EAST COASTS CENTRAL & SOUTH AMERICA	1	1		
ASIA-INDIAN OCEAN	2	2		
ASIA-MAURITIUS-SOUTH AFRICA	1	1		
ASIA-MEDITERRANEAN	4	4		
ASIA-NEW ZEELAND	2	1	1	
ASIA-NORTH EUROPE	7	3	2	2
ASIA-OCEANIA	1	1		
ASIA-PANAMA-USEC	1	1		
ASIA-PAPUA NEW GUINEA	1	1		
ASIA-RED SEA	2	2		
ASIA-RUSSIA	1	1		
ASIA-SOUTH AFRICA-EAST COST SOUTH AMERICA	1	1		
ASIA-SOUTH AFRICA-SOUTH BRAZIL	1	1		
ASIA-SOUTH AFRICA-WEST AFRICA	3	3		
ASIA-SOUTH BRAZIL	1	1		
ASIA-USEC	2	1	1	
ASIA-USWC	5	3		2
ASIA-WEST AFRICA	1	1		
ASIA-WEST COASTS CENTRAL & SOUTH AMERICA	1	1		
ASIA -MIDDLE EAST GULF	2	1	1	
AUSTRALIA-CHINA	1	1		
AUSTRALIA-NEW ZEELAND	1	1		
AUSTRALIA-PAPUA NEW GUINEA	1	1		
AUSTRALIA-SOUTHEAST ASIA	2	2		
CARIBBEAN-EAST COST NORTH & SOUTH AMERICA	1			1
CARIBBEAN-GUYANAS	1	1		
CARIBBEAN-NORTH BRAZIL	1	1		
EAST COAST SOUTH AMERICA-CENTRAL AMERICA-CARIBBEAN	1	1		
EUROPE-INDIA-PAKISTAN	1	1		
EUROPE-LEEWARDS ISLANDS-FRENCH GUYANA-NORTH BRAZIL	1	1		

	LINES	OUR SHIP (1)	SLOT SWAP (2)	SLOT PURCHASES (3)
EUROPE ATLANTIC-WEST AFRICA	2	2		
FRENCH ATLANTIC COAST	1	1		
INDIA-MIDDLE EAST GULF-EAST AFRICA	1	1		
INDIA-MIDDLE EAST GULF-WEST AFRICA	1	1		
INDIAN OCEAN FEEDERING	1	1		
INTRA ASIA	38	26	4	8
INTRA CARIBBEAN SEA	3	3		
INTRA MEDITERRANEAN	8	7	1	
INTRA NORTH EUROPE	10	8	2	
KINGSTON-CUBA-HAITI	1	1		
MALTA-GREECE-TURKEY	1	1		
MALTA-NORTH AFRICA	1	1		
MARSEILLES-NORTH AFRICA	4	4		
MEDITERRANEAN-NORTH AFRICA	1	1		
MEDITERRANEAN-RUSSIA	1	1		
MEDITERRANEAN-USEC	2	1	1	
MEDITERRANEAN SEA-CARIBBEAN SEA	1	1		
MEDITERRANEAN WEST AFRICA	1	1		
NORTH EUROPE-ASIA-OCEANIA	1	1		
NORTH EUROPE-CANADA	1			1
NORTH EUROPE-CARIBBEAN-CENTRAL AMERICA	1	1		
NORTH EUROPE-CARIBBEAN-CENTRAL AMERICA-WEST COAST SOUTH AMERICA	1			1
NORTH EUROPE-CARIBBEAN SEA	1			1
NORTH EUROPE-CENTRAL AMERICA-WEST COAST SOUTH AMERICA	1	1		
NORTH EUROPE-ESTONIA-RUSSIA	1	1		
NORTH EUROPE-FRENCH WEST INDIES	1	1		
NORTH EUROPE-MALTA-MOROCCO-TURKEY-GREECE	1	1		
NORTH EUROPE-MOROCCO	1	1		
NORTH EUROPE-Portugal	1	1		
NORTH EUROPE-SPAIN	2	1		1
NORTH EUROPE-TANGER-EAST COAST SOUTH AMERICA	3	1	1	1
NORTH EUROPE-USEC	3			3
NORTH EUROPE-USEC-MEXICO	1	1		
ROUND THE WORLD	1	1		
SPAIN-PORTUGAL-ANGOLA	1	1		
U.S. GULF-MEXICO-JAMAICA-NORTHERN SOUTH AMERICA	1	1		
USEC-CARIBBEAN SEA	1	1		
USEC-INDIA-PAKISTAN-EST MED	1	1		
WEST AFRICA FEEDERING	5	5		
WEST COAST CENTRAL AMERICA FEEDERING	2	1	1	
WEST COASTS CENTRAL & SOUTH AMERICA	1	1		
WEST MED-MOROCCO	3	2	1	
WEST MEDITERRANEAN-EAST COSAST SOUTH AMERICA	1			1
TANGER-MOROCCO	1	1		
GULF-RED SEA	7	7		
MOROCCO-WEST AFRICA	1	1		
UK-NORTH EUROPE-Portugal				1
TOTAL	182	142	16	24

1 Our operations on these lines are exclusively through our ships.
2 Our operations on these lines are on ships operated by other carriers through slot swap arrangements.
3 Our operations on these lines are on ships operated by other carriers using slots we purchase.

The table below illustrates volume in our principal markets for 2010, 2011, 2012 and the nine months ended September 30, 2013 and 2012.

	Volume per market (in TEU)				
Market	**2010**	**2011**	**2012**	**Nine Months ended September 30, 2012**	**Nine Months ended September 30, 2013**
Asia-Europe	3,375,955	3,578,249	3,583,849	2,746,116	2,816,254
Transpacific	1,202,755	1,483,812	1,654,724	1,174,808	1,265,556
Australasia	337,011	339,867	386,177	273,451	309,291
Transatlantic	218,205	287,729	355,748	330,731	377,790
Latin America & Caribbean	1,316,148	1,506,141	1,510,784	1,138,185	1,218,262
Africa	1,365,457	1,433,884	1,626,030	1,208,535	1,234,633
Other Lines	1,225,961	1,386,227	1,485,741	1,114,923	1,320,111
Total	**9,041,493**	**10,015,909**	**10,603,052**	**7,986,749**	**8,541,897**

Alliances with other shipping companies

Our existing alliances. We operate most of our main lines in cooperation with other carriers, and in limited cases, the services we offer are provided entirely on the vessels of another carrier. The carriers with whom we have cooperation arrangements include Maersk, MSC, Hapag-Lloyd, Hamburg Süd, Compania Sud Americana de Vapores, Evergreen and China Shipping Group. These cooperation agreements allow us to enhance service on the applicable lines, maintain our flexibility, reduce costs associated with establishing new lines and preserve autonomy in non-core activities such as sales and marketing. Where the economic benefits justify the capital investment, we generally prefer to contribute owned or chartered ships into vessel-sharing agreements, rather than use slot purchase or swap agreements, as we believe that lower costs can be achieved by operating our own ships compared to chartering space from other carriers. Moreover, we aim to enter into vessel-sharing agreements only where our position in the relevant market enables us to have a decisive influence on the operation of the service, such as investments in new ships and service schedules. Generally, under the terms of vessel-sharing, slot purchase and swap agreements, carriers are permitted the additional benefit of using any space on their own vessel allocated to, but unused by, the other party. Most of our cooperation agreements have two-year terms. See *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Cooperation Agreements*" and *"Industry—Consolidation, Partnerships and Global Alliances*" for more details on these arrangements between carriers.

Our proposed P3 alliance with Maersk and MSC. We recently announced the creation of a major alliance with Maersk and MSC on worldwide east-west trades for 2014, called the P3 alliance, which remains subject to regulatory approvals. If and when implemented, the P3 alliance will operate 264 vessels on 28 loops on the three main worldwide trade lanes, Asia-Europe, Transpacific and Transatlantic, for a total capacity of 2.6 million TEU. The P3 alliance is expected to provide our customers with an increased number of weekly sailings: eight weekly services on the Asia-Northern Europe trade, nine weekly services on the Transpacific trade (including U.S. east coast), and five weekly services on the Transatlantic trade. The P3 alliance is also expected to offer our customers more direct ports of call. Our participation in the P3 alliance offers an opportunity to lower our cost base by improving slot utilization, expanding our use of slow steaming and expanding our service without making additional investments in vessels. Upon implementation of the P3 alliance, we and the other participants will continue to market our shipping services and to serve our customers independently. We expect to continue to own or charter the vessels that we will contribute to the P3 alliance, but ship operations are expected to be managed by an independent operating center established jointly by the three carriers. Implementation of the P3 alliance is subject to approvals or no objections of relevant regulatory authorities, including the European Commission, the U.S. Federal Maritime Commission, the Chinese Ministry of Commerce and the Chinese Ministry of Transport, none of which has been obtained to date. The P3 alliance is therefore not expected to be effective before mid-2014, at the earliest.

Our hubs and feeder lines. Our hub-and-feeder system comprises 53 feeder lines, which support our main intercontinental lines by calling at one of our five primary hubs, Malta, Port Kelang (Malaysia), Kingston (Jamaica), Tangier (Morocco), and Khor Fakkan (United Arab Emirates), or one of our secondary hubs, and one or two other, smaller ports. Our feeder services disperse traffic away from larger ports to avoid saturation and dependence on any one particular location. Some of our secondary hubs are located near our four primary hubs and can temporarily replace the services of our primary hubs in the event they become unavailable or overly congested. We periodically consider establishing new feeder lines based on needs of various markets and cost effectiveness.

Each hub is serviced by dedicated feeder lines that transport smaller volumes of cargo to and from smaller ports in the vicinity or region. At the hubs, containers delivered by various feeder lines and by other main lines are consolidated and loaded onto larger vessels sailing on our main lines. We believe that our extensive hub-and-feeder system provides us with numerous benefits, such as increasing the range of destinations we are able to serve, allowing us to provide our services at higher frequency and increasing our per-voyage capacity.

We maintain a team of employees in each of our hub ports to provide the logistics and management expertise that we require to operate our hub-and-feeder system. The primary objective of these teams is accuracy and timing in the discharge and reloading of containers from and onto vessels so that our vessels may keep to minimize transit times.

The following tables provide certain information about our primary and secondary hubs and the feeder lines that support them, as of September 30, 2013:

Hubs

Europe	Mediterranean	Middle East	Asia	Caribbean
Le Havre	Malta[(1)]	Khor Fakkan[(1)]	Port Kelang[(1)]	Kingston[(1)]
Rotterdam	Tangier[(1)]	Jeddah	Pusan	Port of Spain
Hamburg	Port Said		Hong Kong	
Zeebruge			Singapore	
			Tanjung Pelapas	

(1) Primary hubs

Feeder Lines

FEEDER LINES EUROPE	HAMBURG-SWEDEN -DEMARK HAMBURG-DENMARK- SWEDEN-POLAND HAMBURG-FINLAND HAMBURG-KLAPEIDA-POLAND HAMBURG-KRONSTADT- FINLAND HAMBURG-RIGA LE HAVRE-WEST COST UK- IRELAND BELGIUM-ROTTERDAM- HAMBURG- ESTONIA- FRANCE-RUSSIA ROTTERDAM -NORWAY ANTWERP-ROTTERDAM- BILBAO ROTTERDAM-PORTUGAL-UK EAST COST LE HAVRE-SPAIN FRENCH ATLANTIC COAST ZEEBRUGE-HAMBURG- KLAIPEDA-KALINGRAD- RAUMA-SWEDEN ZEEBRUGE-UK WEST COAST	MEDITERRANEAN	BEIRUT-EGYPT-SYRIA-CYPRUS BEIRUT-TURKEY CONSTANZA-TAGENROG-MARIUPOL GREECE-TURKEY CROATIA-ITALIA-SLOVENIA EGYPT EGYPT-LEBANON-SYRIA-TURKEY EGYPT-TURKEY TURKEY-RUSSIA ITALIA ITALIA-SPAIN-TANGIER ITALIA-ALBANIA-MONTENEGRO ROMANIA-RUSSIA-GEORGIA-TURKEY- UKRAINE-BULGARIA
MIDDLE EAST	AQABA YEMEN-DJIBOUTI DOHA IRAQ-BAHRAIN OMAN-BAHRAIN UPPER GULF LOWER GULF	ASIA	COLOMBO-TUTICORIN MALAYSIA-CHITTAGONG-INDIA MALAYSIA-INDONESIA MALAYSIA-SINGAPORE-CAMBODIA MALAYSIA-SINGAPORE-MANILA MALAYSIA-SINGAPORE-THAILAND MALAYSIA-SINGAPORE-VIETNAM MALAYSIA-TAIWAN PUSAN-JAPAN
CARIBBEAN	KINGSTON-CUBA-HAITI CARIBBEAN-GUYANAS CARIBBEAN-NORTH BRAZIL GUADELOUPE-MARTINIQUE- TRINIDAD & TOBAGO-GRENADA -ST. LUCIA-ST. VINCENT	AFRICA	MALTA-MOROCCO-TUNISIA-ALGERIA INDIAN OCEAN COASTAL WEST AFRICA COASTAL EAST AFRICA

Logistics Activities and Inter-Modal Container Transportation Services

We have responded to changing customer expectations by increasingly providing value-added services prior to and following transocean shipping and offering a single-contact interface to the customer. Many of our lines now offer our customers door-to-door service from the door of the factory to the door of the warehouse or retail store. These logistics and inter-modal container transportation services allow our customers to fully outsource their non-core freight transportation activities and concentrate on their core businesses. We provide these logistics activities and inter-modal container transportation services to complement our primary maritime shipping services. We offer certain of our logistics and inter-modal container transportation services through the following subsidiaries:

CMA CGM Logistics. CMA CGM Logistics primarily serves Asia and Europe, where it provides customers with a range of fully integrated logistics and inter-modal services, including transporting containers from door-to-door and offering customers a variety of supply chain management solutions, which may include a transocean leg on other shipping lines. CMA CGM Logistics coordinates activities at all stages of the supply chain, including customs clearance, stock management and disassembling, packaging, packing, shipping and reassembling. Where we do not provide the required services ourselves, we subcontract for services such as warehousing, packaging, packing and inland hauling with third parties worldwide, including several logistics companies such as Giraud Logistics, Dettmer Logistics, Jardine Logistics, Cosco Logistics and Simba.

Greenmodal. Our Greenmodal subsidiary, established in January 2013 through a merger of our subsidiaries Rail Link Europe, River Shuttle Containers, Land Transport International and Progeco, researches, implements and operates rail, barge and truck container transportation solutions for our customers. Through its Progeco branch, Greenmodal is also active in container maintenance and repairs in France, Holland, Germany and Belgium. Greenmodal operates, among other services, regular rail shuttle links between Marseilles and Le Havre and North Europe (mainly Antwerp, Duisburg and Ludwigshafen), providing our customers with reliable connections to our shipping lines calling at Marseilles and serving Northern Africa, the Indian sub-continent and Asia routes. Where Greenmodal does not have operations itself, it subcontracts to provide customers regular container transportation solutions which can carry containers from ports to their final destinations throughout Europe. Greenmodal transported 44,995 TEU by rail and 66,886 TEU by barge in the nine months ended September 30, 2013.

Operations

Vessel Fleet

As of September 30, 2013, we operated 430 container vessels, of which we owned 81, or 34.4% of our fleet by capacity, chartered 35, or 15.5% of our fleet by capacity, with a remaining charter duration of more than five years, chartered 36, or10.3% of our fleet by capacity, with a remaining charter duration ranging between one and five years and chartered 278, or 39.8% of our fleet by capacity, with a remaining charter duration of less than one year. Our entire fleet had a combined capacity of 1.559 million TEU at that date. The weighted average age of the vessels in our fleet was 7.1 years (based on total TEU) as of the same date. We generally utilize our larger vessels on our intercontinental lines to achieve greater operational efficiencies and economies of scale, whereas we operate smaller vessels on our feeder and shorter main lines. For large vessels, we are currently focused on purchases or long-term financed charter arrangements. For smaller vessels, we favor chartering. We do not generally charter or sub-charter our vessels to other parties, although we may do so in specific cases.

The table below sets forth certain information regarding container vessels that we owned, including through capital leases, as of September 30, 2013:

Vessel Name	Year Built	TEU	Current Financing
CMA CGM A.VON HUMBOLDT	2013	16,022	Capital Lease
CMA CGM JULES VERNE	2013	16,022	Capital Lease
CMA CGM MARCO POLO	2012	16,022	Capital Lease
CMA CGM AMERIGO VESPUCCI	2010	13,830	Capital Lease
CMA CGM CHRISTOPHE COLOMB	2009	13,830	Capital Lease
CMA CGM CORTE REAL	2010	13,830	Other*
CMA CGM LAPEROUSE	2010	13,830	Capital Lease
CMA CGM MAGELLAN	2010	13,830	Other*
CMA CGM ANDROMEDA	2009	11,388	Bank Debt

Vessel Name	Year Built	TEU	Current Financing
CMA CGM AQUILA	2009	11,388	Bank Debt
CMA CGM CALLISTO	2010	11,388	Bank Debt
CMA CGM CASSIOPEIA	2010	11,388	Bank Debt
CMA CGM CENTAURUS	2010	11,388	Bank Debt
CMA CGM COLUMBA	2010	11,388	Bank Debt
CMA CGM GEMINI	2010	11,388	Bank Debt
CMA CGM LEO	2010	11,388	Bank Debt
CMA CGM LIBRA	2010	11,388	Bank Debt
CMA CGM LYRA	2010	11,388	Bank Debt
CMA CGM PEGASUS	2010	11,388	Bank Debt
CMA CGM TITAN	2010	11,388	Bank Debt
CMA CGM HYDRA	2009	11,040	Bank Debt
CMA CGM MUSCA	2009	11,040	Bank Debt
CMA CGM FIDELIO	2006	9,415	Bank Debt
CMA CGM MEDEA	2006	9,415	Bank Debt
CMA CGM NORMA	2006	9,415	Bank Debt
CMA CGM RIGOLETTO	2006	9,415	Bank Debt
CMA CGM LA TRAVIATA	2006	8,488	Bank Debt
CMA CGM NABUCCO	2006	8,488	Bank Debt
CMA CGM OTELLO	2005	8,488	Bank Debt
CMA CGM TOSCA	2005	8,488	Bank Debt
CMA CGM VIVALDI	2004	8,478	Bank Debt
CMA CGM ALMAVIVA	2010	8,469	Capital Lease
CMA CGM CENDRILLON	2009	8,469	Bank Debt
CMA CGM DALILA	2010	8,469	Capital Lease
CMA CGM FIGARO	2010	8,469	Capital Lease
CMA CGM LA SCALA	2010	8,469	Capital Lease
CMA CGM TITUS	2010	8,469	Capital Lease
CMA CGM LAMARTINE	2010	6,574	Capital Lease
CMA CGM MAUPASSANT	2010	6,574	Capital Lease
CMA CGM BELLINI	2004	5,782	Capital Lease
CMA CGM CHOPIN	2004	5,782	No Debt
CMA CGM MOZART	2004	5,782	No Debt
CMA CGM PUCCINI	2004	5,782	No Debt
CMA CGM ROSSINI	2004	5,782	No Debt
CMA CGM FLORIDA	2008	5,095	Securitization Financing
CMA CGM GEORGIA	2008	5,095	Securitization Financing
CMA CGM NEW JERSEY	2008	5,095	Securitization Financing
CMA CGM SWORDFISH	2007	5,095	Securitization Financing
CMA CGM TARPON	2007	5,095	Securitization Financing
CMA CGM VIRGINIA	2008	5,095	Securitization Financing
CMA CGM AMBER	2008	4,404	Securitization Financing
CMA CGM CORAL	2008	4,404	Securitization Financing
CMA CGM EIFFEL	2002	4,404	Capital Lease
CMA CGM PUGET	2002	4,404	Capital Lease
CMA CGM FORT ST GEORGES	2003	2,260	No Debt
CMA CGM FORT ST LOUIS	2003	2,260	No Debt
CMA CGM FORT ST PIERRE	2003	2,260	No Debt
CMA CGM FORT STE MARIE	2003	2,260	No Debt
NICOLAS DELMAS	2002	2,226	Capital Lease
CMA CGM KAILAS	2006	1,858	Capital Lease
CMA CGM ARISTOTE	2007	1,713	Securitization Financing
CMA CGM HERODOTE	2007	1,713	Securitization Financing
CMA CGM HOMERE	2007	1,713	Securitization Financing
CMA CGM PLATON	2007	1,713	Securitization Financing
CMA CGM IMPALA	1996	1,708	No Debt
CMA CGM OKAPI	2000	1,708	No Debt
ELISA DELMAS	2002	1,641	No Debt

Vessel Name	Year Built	TEU	Current Financing
FLORA DELMAS	2002	1,641	No Debt
NALA DELMAS	2002	1,641	No Debt
KUO CHANG	1999	1,367	No Debt
KUO CHIA	1998	1,367	No Debt
KUO WEI	1997	1,367	No Debt
SAINT ROCH	1980	1,183	No Debt
CMA CGM SIMBA	1994	1,107	No Debt
DELMAS SWALA	1994	1,107	No Debt
CMA CGM JUNIOR S	1994	1,012	Bank Debt
MOROTAI	1996	642	No Debt
OUED ZIZ	1998	501	No Debt
CMA CGM SIWA	1991	355	No Debt
CAP CAMARAT	1987	347	No Debt
AKNOUL	1993	188	No Debt

* Other: ships financed through SPV Ship Finance International

Current Orderbook

Purchases

We have placed orders and expect to take delivery in March, May and July of 2015 of three 16,000 TEU vessels for which we have obtained committed financing of $310.0 million out of a total consideration of $444.0 million. As of September 30, 2013, the Company had paid $95.0 million to the yard, of which $50.5 million was paid through financing from our lenders. We are committed to pay a further $74.0 million in 2014, for which we expect to receive no financing, and $275.0 million upon delivery in 2015, for which we have obtained committed financing of $259.5 million from our lenders.

We are also committed to take delivery of three Guyana Max 2,100 TEU ships for an aggregate consideration of $102.0 million, of which we have already paid an aggregate amount of $66.0 million (by partial application of a prior payment for six 1,700 TEU Conro ships we had ordered in 2008 and cancelled in 2013 and for which we had previously paid $108.0 million). The shipyard will retain the remaining $42.0 million of the prior payment as compensation for prior work completed and the passage of time.

New Chartered Tonnage

We are also committed to receive new chartered tonnage. We have ordered ten 9,200 TEU ships from Chinese yards through China International Marine Containers (“CIMC”), which are slated to be delivered in 2014 and 2015 and will have expected charter durations of twelve years and three 16,000 TEU ships which we expect will be delivered in 2015 and which will have expected charter durations of 12 years. We have ordered seven 9,300 TEU ships from Samsung which are slated to be delivered in 2015 (6 ships) and 2016 (one ship) and will have charter durations of 12 years extendable to 17 years at our option. We have ordered three 9,400 TEU ships from BCLC which are slated to be delivered in 2016 and will have charter durations of 12 years extendable to 17 years. We also have an option, exercisable until January 20, 2014 to charter three additional 9,400 TEU ships from MINSHENG which would be slated for delivery in 2016 and have charter durations of 12 years extendable to 17 years. The construction cost of these ships is financed directly by the shipyard, and the vessels remain on the shipyard’s (or the financing bank’s) balance sheet. In each case, the charter rate is set for the duration of the charter and we have an option to purchase the ship at the end of the lease term at the then-prevailing market rate.

When we replace our ships serving main lines with new larger ships, we are usually able to cascade replaced ships to lines where they will in turn replace smaller tonnage. Cascading of ships therefore provides economies of scale down the chain of lines which have benefitted from this cascading. As such, we expect that the ongoing replacement of vessels in our major markets, and the subsequent transfer of the replaced vessels to main lines of a lesser capacity, will have the effect of improving the efficiency and capacity of our services beyond the lines which are the direct beneficiaries of the new replacement ships.

The following chart sets out both the size and capacity of our owned and long-term chartered vessel fleet as of September 30, 2013 and the size and capacity of our owned and long-term chartered vessel fleet that we plan to have by December 31, 2015 as a result of our existing ship acquisition program and charter plans as set out above:

	Container vessel fleet as of September 30, 2013		**Target container vessel fleet as of December 31, 2015[(2)]**	
	Ships	**TEU**	**Ships**	**TEU**
Owned	81	535,939	87	590,239
Long-term chartered[(1)]	335	241,516	50	338,426
Total owned and long-term chartered	116	777,455	137	928,665

(1) Vessels governed by a charter agreement with a remaining term longer than five years.

(2) Based on current orderbook. This includes ships that we expect to receive by December 2015 and consists of three 16,000 TEU and three 2,100 TEU owned ships, and ten 9,200 TEU, three 16,000 TEU and six 9,324 TEU long-term chartered ships.

Container Fleet

As of September 31, 2013, we operated an owned and leased container fleet of 2.25 million TEU (of which 158,400 were reefer containers), which we managed from our headquarters in Marseilles. The following table indicates the composition of our container fleet as of that date:

Container Type	**TEU**
20-foot	632,417
40-foot	1,577,065
45-foot	39,937
Total	**2,249,418**

While we believe that owning containers is generally less expensive than hiring them under operating leases, operating leases enable us to adjust our container fleet in response to changing market conditions or changing requirements of specific lines. As of September 30, 2013, 79% of our container capacity, or approximately 1.78 million TEU, was obtained through operating leases. We owned the remaining 21% of our container capacity, corresponding to approximately 473,000 TEU.

We manage empty containers' movements through day-to-day reports provided by our shipping agencies throughout the world. We also monitor vessels in order to permit filling empty slots with empty containers and to minimize the need to reposition these containers to new locations to be filled with cargo. Empty containers are generally stored in depots, which are managed by third parties. In addition, after we deliver a shipment, our customers sometimes retain empty containers for a period exceeding the agreed shipping terms. When this happens, we normally charge customers a daily fee, called demurrage, until the container is returned to us. When the opportunity arises, we sometimes also coordinate with other carriers, either directly or through brokers, to exchange empty containers in various locations in order to avoid the need to reposition them.

We are in the process of documenting a sale and leaseback transaction in relation to containers for an aggregate capacity of 111,000 TEU for a consideration of $126.4 million.

Shipping Agencies

Our operations are supported by a network of 168 shipping agencies worldwide with more than 671 offices. We own or have a majority stake in 122 of these shipping agencies, which accounted for approximately 95% of the carried volumes in 2012. These owned shipping agencies cover most of our principal locations.

We rely on our shipping agencies, which we staff primarily with local residents, to perform most of our sales and marketing functions and to manage customer relationships on a day-to-day basis. These shipping agencies are responsible for soliciting cargo within their defined area of representation, promoting our services within the guidelines set by our Marseilles-based communications department, preparing and processing bill payments and acting as customer service representatives, handling complaints and queries. In addition, our shipping agencies are generally responsible for supervising port operations with respect to the import, export and transshipment of containers, monitoring the status of containers en route, managing the storage, maintenance and logistical movements of containers, documenting shipments and obtaining local permits and other necessary authorizations.

Shipping agencies are also generally responsible for bill collection on the transactions they have conducted. We have implemented, and continue to update, a global electronic financial system across all our shipping agencies to replace monthly general account reports in paper form. This system allows us to collect accounts data in a uniform, efficient manner, as well as enable the head office to more closely monitor and control cash remittance. We generally require shipping agencies that we do not control to provide us with a bank guarantee insuring the performance of their financial obligations to us.

We typically grant our shipping agencies exclusive rights within a particular area of representation. In turn, we require them to represent us exclusively on the lines that we operate. We have instituted a commission system for both owned and third-party shipping agents that is based on various factors, including freight rates, transshipment fees, container control fees, attendance fees, lump sum payments for communication expenses, container damage recovery fees, demurrage collection and miscellaneous collection commissions.

We monitor and control all our shipping agencies on three primary levels: credit control, accounting and cost control. Our credit control department reconciles payments due from shipping agencies with vessel manifests and aims to ensure that shipping agencies pay us freight charges on the date these charges are due. Our accounting department is responsible for ensuring that all of the manifested freight revenue and all expenses are recorded in the monthly statement balancing the positions of the shipping agency and the Company. Our cost control department is responsible for ensuring that the shipping agency complies with our supplier payment, customer charging and head office procedures. In addition, our internal auditors regularly audit all our shipping agencies. Our owned shipping agencies also provide us with monthly income and volume reports.

We are continuing to pursue a strategy of establishing our own shipping agencies in our major markets, in order to improve our management of marketing and revenue collection and further improve control of our costs at the point of sale. Compared to 2006, the number of agencies in which we hold a majority interest increased from 69 to 122 as of September 30, 2013.

Shared Service Centers

We consolidate certain back-office functions, such as accounting, billing and export documentation at shared service centers in India, Malaysia and China to reduce operating expenses. As of September 30, 2013, 1,190 of our employees worked at these centers. We plan to expand operations at these centers to include import documentation, freight compliance, tracking and equipment control, as well as demurrage and detention billing.

Terminal Investments

Terminal Link

Terminal Link, established in 2001, seeks to invest in and secure access to terminal facilities in ports where we have significant operations. Effective management of the loading, off-loading and transshipment of cargo requires a high level of coordination among the various port terminal actors, including ship schedulers, stevedores and haulers of containers pre- and post-journey. Terminal Link invests in facilities within ports pursuant to joint venture arrangements with partners that have experience in operating port facilities and that contribute necessary on-shore equipment. Through these investments, we expect to gain “most favored nation” status at these public terminals, which we anticipate will provide preferred access to berths, limit any future increases in our port charges and afford greater control over port activities and laborers, including stevedores.

Terminal Link currently has terminal investments in the following ports: Zeebrugge, Antwerp (Belgium), Dunkirk, Le Havre, Fos, Montoir de Bretagne (France), Malta, Casablanca, Tangier (Morocco), Abidjan (Ivory Coast), Pusan (South Korea), Xiamen (China), Miami and Houston (United States).

On January 25, 2013, we entered into an agreement to sell 49.0% of Terminal Link to CMHI, the largest public port operator in China, for a consideration of $528.0 million. We also agreed to guarantee a certain level of dividends payable to CMHI regardless of the capacity of Terminal Link to pay them. The estimated fair value of this guarantee was $89.0 million as of September 30, 2013. At the same time, we entered into two relationship agreements with both Terminal Link and CMHI, according to which Terminal Link and CMHI committed to provide us with competitive rates, provide various guarantees of services (and in the case of the relationship agreement with Terminal Link, long-term rebates and discounts and direct access to road and rail) in exchange for our commitment to direct our ships to terminals in which Terminal Link or CMHI have invested (and for certain efforts on our part to make other liner services direct their ships to these terminals). As part of the relationship agreement with CMHI, we are committed to support the CMHI terminals in Shenzhen by maintaining direct call at this terminal for certain of our liner services and to make reasonable efforts to enter into a terminal service agreement with respect to the CMHI terminal in Djibouti.

Other

CMA CGM has also invested in other terminals through its wholly-owned subsidiary CMA Terminal. CMA Terminal is present in Marseilles (France), Lattakia (Syria), Odessa (Ukraine), Long Beach (United States), Rotterdam (the Netherlands), Malabo (Equatorial Guinea) and Lekki (Nigeria) (the latter three of which are not yet operational) and has historically directly owned and operated terminals in Guadeloupe and Martinique (French Antilles) and French Guyana.

Investment in Charter Company

We own 43.1% of the Class A common shares of Global Ship Lease, Inc. ("GSL"), a company that charters vessels to us. We also own 3,943,050 Class B common shares and approximately $45 million of Series A preferred shares of GSL. As of September 30, 2013, GSL's fleet consisted of 17 containerships with an aggregate capacity of 66,349 TEU, a weighted average age of approximately 9.6 years and a non-weighted average age of 10.4 years. All of these vessels are currently on charter to us, two of them on short-term (less than one year) leases and the other fifteen on long-term leases with remaining lease terms ranging from three to twelve years, and the undiscounted lease payments payable by us to GSL for such vessels amounted to $914.0 million as of September 30, 2013. GSL is listed on the New York Stock Exchange and, as of September 30, 2013, had a total market capitalization of approximately $280 million. The carrying amount of our investment in GSL (*i.e.*, our share in GSL's net assets) as of September 30, 2013 was $195.2 million. GSL has outsourced all ship management services to one of our subsidiaries.

Following the end in August 2013 of the standstill period in respect of its shareholding under the GSL shareholders' agreement, the Company is assessing whether certain changes in the composition of GSL's Board would be relevant in view of the development of GSL's business prospects. The Company has discussed its concerns with GSL management and may continue such discussions. The Company believes that one option could be to expand the size of the Board and appoint additional Board members acceptable to the Company, who may be affiliated with the Company, possibly constituting a majority of the Board, each of whom would have industry knowledge. Moreover, the Company intends to review its investment in GSL on a continuing basis. Depending on various factors (including, without limitation, GSL's financial position and strategic direction, actions taken by the Board, price levels of its securities, other investment opportunities available to the Company, market conditions, financial position of the Company and general economic and industry conditions), the Company may take such actions with respect to its investments in GSL as it deems appropriate.

Line Management

Each of our lines is administered by a line manager, along with three deputy managers: the trade manager, the operation manager and the management controller. Each line manager works to optimize the mix of loads from the various ports on a line. The trade manager primarily manages the balance of cargo to maximize the line's commercial benefit, the operation manager ensures that the vessels remain on schedule and the management controller ensures compliance with our procedures and controls. Together, this team is responsible for ensuring that quality and profitability targets are met for its line.

Our policy is to ensure that there is a large degree of overlap in the capability of our management team. As a result, with relatively few exceptions, we believe we could operate our business without significant disruption despite the loss of any particular line or deputy line manager.

Customers

We have two types of customers: direct shippers, comprising exporters and importers, and intermediaries, also known as freight forwarders. Exporters include a wide range of enterprises, from global manufacturers to small family-owned businesses that may ship just a few TEU each year. Importers are usually the direct purchasers of goods from exporters, but may also comprise sales or distribution agents and may or may not receive the containerized goods at the final point of delivery. Freight forwarders act as agents for direct shippers, performing a range of duties that would otherwise be part of our door-to-door service, such as documentation processing, insurance, customs clearance, inland transportation, warehousing and container tracking. Alternatively, freight forwarders may independently purchase transport services from carriers and sell them bundled with other services.

The top ten freight forwarders, such as for example DHL, Kühne & Nagel and Schenker, accounted for approximately 10.9% of our operating revenue in the nine months ended September 30, 2013. Freight forwarders usually receive fees from their customers and commissions and volume discounts from the third-party carriers they use. The commissions we pay to freight forwarders generally range from nil to 2.5% of ocean freight.

We transport a diverse range of goods for many different types of customers. We had over 100,000 customers in 2012, including more than 60 companies we consider key customers, such as BASF, IKEA, Renault and Samsung. For the ten months ended October 31, 2013, the percentage of volumes carried for our top 20 customers represented 15.7% of total volumes carried and we had no customer that accounted for more than 2.5% of total volume.

Due to price competition and the extensive geographical needs of large-scale shipping customers, our customers generally do not enter into exclusive shipping relationships with us. Instead, customers maintain relationships with several carriers, although customers who ship large amounts of freight are increasingly consolidating their supply relationships to focus on a few, core carriers. Large customers will sometimes invite several carriers to tender for their business, requesting detailed information, which they use to assess which carrier they will hire. Tender requests vary significantly from customer to customer, and usually cover a series of individual, regional or global shipping requests. If our response to a tender is accepted, the terms we offered in the tender serve as standards for each individual shipment carried out under the tender. These terms become part of the bill of lading for the particular shipment of cargo. Customers' primary interests in choosing a carrier tend to include, depending on the cargo:

- geographic coverage and the availability of service in their desired area;
- price;
- a carrier's punctuality and performance record according to key industry indicators, such as voyages completed on time (especially on main lines), frequency of service and length of transit times;
- a carrier's capacity to offer door-to-door and other value-added services; and
- the accuracy and timeliness of shipping documentation, including bills of lading and port activity documentation.

The price terms which we are willing to offer to a potential customer depend upon the volumes the client is shipping, the type of cargo being shipped, our available capacity on the applicable lines and the degree to which its shipping needs are global or regional. We often offer key clients—i.e., those shipping large volumes and which have a widespread presence along our various lines—specially tailored rates. Our key accounts management team negotiates these rates, which are usually fixed for a specific period of time and may include specially tailored container usage rates, demurrage and provisions for potential surcharges (e.g., fuel price increases or war risk insurance premium increases).

We have written service contracts with our customers in limited circumstances. In certain regions and with our key clients, the use of contracts to guarantee at least fixed price terms is prevalent and, in some cases, mandated by regulation. In the United States, for example, liner cargo must be rated at either (i) the carrier's applicable tariff rate or (ii) the rate contained in an applicable service contract that has been filed with the U.S. Federal Maritime Commission, and such contracts must contain minimum quantity commitments by shipping customers. For more information on this requirement, see "*Regulatory Matters—Maritime Regulations*." We also commonly use written contracts for the provision of our specialized services, such as our banana shipping services, which require refrigeration. By contrast, in Asia and certain other regions, and with freight forwarders, the use of written contracts is unusual. In Asia, the conventional method, depending on market conditions, is to quote price terms at the "current month plus two," which means the customer has the ability to rely on the price term for three months after it is quoted, or three months after the most recent shipment we provided at that price. An increasing number of our customers, particularly large direct shippers, have asked us to enter into longer-term service contracts in recent years. Where we use such contracts, we typically have service contracts reflecting fixed prices and a limited set of other terms for periods of one year and, in rare cases, longer than one year. All our shipments are covered by the basic contractual terms of the bill of lading that accompanies the shipment.

Competition

The container shipping industry is highly competitive. While, as of November 10, 2013, the world's top 20 carriers controlled approximately 84% of global container capacity and the top five carriers controlled over 46% of global container capacity, the industry remains fragmented, with over 100 carriers operating worldwide. Globally, market share is widely dispersed. Our share of global container capacity (not all of which is deployed) stood at 8.4% as of November 10, 2013.

We compete with a wide range of global, regional and niche carriers on the lines we serve. Global carriers generally deploy significant capacity and operate extensive networks of lines in the major markets. These carriers typically organize their networks using a hub-and-feeder system similar to ours. Global carriers that compete with us include Maersk and MSC. Regional carriers generally focus on a number of smaller lines within the major markets. These carriers tend to offer direct services to a wider range of ports within a particular market than global carriers. One example of a regional carrier that competes with us is Wan Hai, which operates mainly on intra-Asian trades. Niche carriers are similar to regional carriers but tend to be even smaller in terms of the amount of slot capacity and the number and size of the markets they cover. Niche carriers often provide an intra-regional service, focusing on ports and lines that are not served by the larger carriers. In these niche markets, we compete with niche carriers, however, our main competitors are niche operations of other global and regional carriers.

Although the trend toward containerization continues in the shipping industry, in the market for the shipping of certain lower-end cargo, such as waste paper and scrap items, we compete directly with non-containerized shipping companies. Our business in this segment of the market is limited.

We are a party to several cooperation agreements (or "alliances") with certain of our competitors and have recently agreed to enter into a larger-scale alliance with Maersk and MSC, our two largest competitors. Such alliances are a feature of our industry that has developed increasingly in recent years. See "*—Services—Container Shipping—Alliances with other shipping companies*" and "*Industry—Consolidation, Partnerships and Global Alliances*."

Insurance

We maintain insurance policies to cover risks related to physical damage to, and loss of, our ships and ship's equipment, other equipment (such as containers, chassis, terminal equipment and trucks) and properties. Third-party liabilities arising from the carriage of goods and the operation of ships and shore-side equipment and general liabilities which may arise through the course of our normal business operations are also covered through insurance programs we have implemented. We renew most of these policies annually, and most of our insurance expenses are denominated in either U.S. dollars or euros. Most of our insurance programs are set up and administrated by our in-house broker, ARB, with the assistance of external brokers such as Marsh, Willis and AON.

The vessels of the CMA CGM fleet are insured under one primary policy for damage to, and loss of, the hull and machinery. Other vessels of the group owned by affiliates such as Comanav and Cheng Lie Navigation are covered under a locally placed insurance cover. We insure each vessel purchased under financing arrangements for the value stipulated in the financing agreement, and we insure the vessels that we own outright for at least their market value.

Our basic war policy also covers our owned vessels for losses due to war, acts of terrorism and piracy, except when our vessels operate in an excluded zone. An automatic cover is implemented for owned vessels for extra war risk zones known on January 31, 2011. Chartered vessels are insured by their owners, but when they operate in an excluded zone we must pay additional "extra war risk" premiums, which are negotiated on a case-by-case basis. We also have kidnap and ransom policies in place.

When we are subject to "extra war risk" premiums, we may pass on the additional costs of these premiums to customers. See "*Regulatory Matters—Maritime Regulations*" and "*Risk Factors—Risks Relating to Our Business—Political, economic and other risks in the markets where we have operations may cause serious disruptions to our business*."

We also maintain protection and indemnity policies, or "P&I" policies, with mutual clubs covering all our fleet, including chartered vessels, for:

- third-party claims arising from the carriage of goods, including loss or damage to cargo;
- claims arising from the operation of our owned and chartered ships, including injury or death to crew, passengers, or other third parties;
- claims arising from collisions, except for the CMA CGM fleet for which collision is insured under the H&M cover;
- damage to the property of third parties;

- pollution arising from oil and other substances and salvage; and
- other related costs.

All our vessels are covered by one of four P&I mutual clubs. Our premiums under these policies fluctuate, and are directly affected by the number of claims that we and other carriers make in a preceding period. We are also sometimes subject to supplementary calls for additional payments during the coverage period of our policies. Our P&I insurance provides high limit coverage for losses on any vessel we own and $500.0 million per incident for each claim on vessels we charter (including claims for pollution).

We maintain insurance cover called "ship owner's liability" ("SOL") covering the Company for liabilities arising out of loss of or damage to "special and valuable cargoes" or a breach of contract of carriage, where such a breach/deviation falls outside the scope of P&I cover. This comprehensive SOL insurance is offered on a "per member per annum basis," with no advance declaration required by the P&I club, and limited to U.S. $5.0 million per event. Our customers usually take out their own insurance on such cargos.

In addition to the foregoing policies, we maintain loss of hire insurance for all our owned vessels. This insurance covers business interruption and loss of earnings for vessels that are taken out of service for repairs or detained by pirates.

We also maintain various other insurance policies to cover a number of other risks related to our business, such as:

- directors and officers cover;
- chassis, containers and handling equipment cover;
- shipping agency negligence cover;
- cover for our logistics subsidiaries;
- cargo handling cover in certain ports;
- property/content insurance policy;
- building;
- construction all risks third-party liability;
- public liability cover;
- cover for all our moveable equipment;
- repatriation cover for our crew and expatriates; and
- chassis road liability cover for our operations in the United States.

We also carry a contingency risk policy that covers the costs related to disruptions in scheduled service. We do not insure against losses from labor disturbances, although these losses may be covered to some extent under our other insurance. We believe that the types and amounts of insurance coverage that we currently maintain are consistent with customary practice in the international container shipping industry and are adequate for the conduct of our business.

Information Systems and Logistical Processes

Our information systems and logistical processes are key operational and management assets which support many of our business units, including shipping agencies, individual lines and various head office departments, through a mixture of purchased software packages, third-party providers and systems developed in-house.

The ability to process information accurately and quickly is fundamental to our position in the container shipping industry, which is characterized by constant movement of thousands of individual items across a global network of sea and inland routes. We have developed and deployed a global information system that consolidates information from across all our operations using real-time internet-linked technologies and a common software platform, allowing all our employees access to the most up-to-date shipping information available. The following are the major modules to this system:

- LARA. Through Lines and Agents Real Time Application, or "LARA," our core system for the management of shipping agency activities, most of our shipping agencies are connected in real time to the relevant departments in our Marseilles headquarters, sharing the same database that has been designed to manage all of the different aspects of customer relationship and operations management. For example, LARA provides customers with information on all our lines, schedules, calls, provides quotes, handles bookings, processes documentation and invoicing, tracks the movement of containers, handles customs-related matters for the release of containers upon their arrival and keeps track of information that is relevant for financing and accounting purposes. Shipping agencies covering more than 99.0% of our volume are deployed with LARA.

- OCEAN/LOAD. Through Oracle Centralized Accounting Network, or OCEAN, our system for financial reporting, we fully streamline internal financing reporting, consolidation and budgetary processes for all our businesses (carrier-module), in addition to cash remittance management and accounting monitoring from agencies to headquarter (agencies-module). As of September 30, 2013, 88.8% of our worldwide volumes is managed by this system.
- All maritime functions, such as vessel chartering and monitoring or on-board cargo planning are managed through a mix of custom and off-the shelf specific software.

In 2006, we entered into a joint venture with IBM through which we outsourced our IT systems and enhanced our IT training program. We aim to leverage IBM's expertise to provide our employees with advanced IT training and to secure operational efficiency of our IT systems, ultimately improving customer service. All of the IT systems that we have in place are backed up by a disaster recovery plan hosted by IBM off-site from our headquarters in Marseilles.

We have developed institution-wide logistical skills in order to establish and maintain our global network of lines, as well as the technological systems and transportation infrastructure necessary to support those lines. These skills are integral to our ability to service a widely dispersed customer base at a local level while maintaining a global network. Our customers expect us to provide "just-in-time" inventory shipping services, to be flexible with respect to last minute shipment changes and delays and fluctuating shipment sizes and to be able to address these logistical challenges while keeping our vessels on schedule. Information exchange with respect to such items as booking procedures, administrative documents, invoicing and tracking is continuous among our different locations, customers and suppliers and is a key element in the quality of our customer service.

In October 2013, we entered into a strategic agreement with SAP for a new information system that will entirely replace our existing IT systems. The new information system will be dedicated to container shipping and tailored specifically for maritime transport, and is expected to entirely replace our existing information technology systems. The new system will be designed by SAP and will cover our commercial, operational and financial processes in a seamless and scalable solution. Deployment of the new system is targeted to commence at the end of 2015 and to be implemented fully by 2017. Implementation of the new system will entail substantial expenditures over the 2014 to 2016 period, part of which is expected to be financed through vendor loans. See "*Management's Discussion and Analysis—Liquidity and Capital Resources—Capital Expenditure*." We believe that our new system will provide us with greater efficiency, including substantial cost savings, and operational flexibility.

Employees

The following tables provide certain information about our full-time equivalent employees, broken down by geographic location as of December 31, 2010, 2011 and 2012 and as of September 30, 2013:

	As of December 31,			As of September 30,
	2010	**2011**	**2012**	**2013**
France[1]	3,894	4,025	3,960	3,995
Rest of Europe	3,257	2,651	6,636	6,733
Asia Oceania	3,960	4,233	4,403	4,589
Americas	1,639	1,768	1,831	1,840
Middle East & Africa	3,432	3,484	3,369	2,645
Total	**16,182**	**16,161**	**16,239**	**15,807**

(1) These figures include French overseas departments and territories.

We do not directly employ any agency staff other than the staff of our owned agencies. The employees of these owned agencies are generally supervised by the central management of their respective shipping agencies on a country-by-country basis.

All our French employees and some of our employees in other countries are employed under collective bargaining agreements. We have not recently encountered any material union difficulties or strike actions involving our employees, and believe that our relations with our employees and the unions of which our employees are members are good.

Properties

We own, lease or have rights to use approximately 422 properties globally, either directly or through one of our subsidiaries. Of these, our principal properties are our headquarters in Marseilles and our office facilities in Norfolk, Virginia in the United States, which are described below.

Our headquarters are located on Quai d'Arenc in Marseilles, in a newly-constructed office building designed by architect Zaha Hadid, which is 147 meters high with 33 floors, with capacity for 2,700 people (enough for all our employees based in Marseilles) and a gross floor area of 64,000 square meters. The building is a center for the development plan for Marseilles' international business district. This new building is financed through a secured credit facility. We also still own our original headquarters building, which was built in the 1970s and has seven floors, with a capacity for 354 people and a gross floor area of 7,056 square meters. This building is currently partially rented out.

Our office facilities for our U.S. operations are located in Norfolk, Virginia, where our wholly owned subsidiary CMA CGM (America) Inc. owns an office building with approximately 90,000 square feet of office space. The acquisition, construction and equipment of this office building was internally financed.

Delmas' office facilities are located in Le Havre, France, where Delmas leased an office building totaling approximately 8,940 square meters from a consortium of real estate lenders under a sale-leaseback arrangement. We purchased this property for €4.3 million in May 2010 at the end of the period of the sale-leaseback arrangement.

As of September 30, 2013 we operated 122 fully owned or jointly owned shipping agencies around the world. Each of our agencies typically leases small offices for sales, administration and management functions. We do not consider any specific leased location to be material to our operations.

We believe that our properties are in good condition and are adequate for our current needs. We evaluate our needs periodically and obtain additional facilities when considered necessary.

Legal Proceedings and Government Investigations

We have summarized below the principal pending legal proceedings and government investigations relating to us.

Antitrust matters

In May 2011, the European Commission carried out unannounced inspections at the premises of various carriers, including ours, in order to investigate a possible collusion among carriers on prices and capacities. In a decision dated November 21, 2013, the European Commission initiated antitrust proceedings against a large number of carriers, including us. According to the European Commission, since 2009, carriers have been disclosing price increase intentions, several times a year and a few weeks before their implementation date, through press releases on their websites and in the specialized trade press, which may have allowed carriers to signal future price intentions to each other and may have led to price increases on routes to and from Europe. The proceedings aim to determine whether this behavior qualifies as an anticompetitive practice. Opening of proceedings does not prejudge the outcome of the investigation. To the extent these proceedings were to result in findings that we violated applicable antitrust laws, such findings may result in commitments offered by the parties that are made legally binding, or in fines being imposed individually on carriers, possibly along with remedies, or in claims for damages from third parties.

The Russian Competition Authority (FAS) carried out unannounced inspections at the premises of a large number of carriers shipping agents, including ours, on February 15, 2013. On November 26, 2013, the FAS initiated antitrust proceedings against fourteen shipping agencies, including CMA CGM Rus, with respect to possible price arrangements. Opening of proceedings does not prejudge the outcome of the investigation; it may, however, result in fines being imposed individually on shipping agencies.

In a decision dated November 7, 2012, the Spanish Competition Authority imposed a fine of €13.8 million on COMANAV, a Moroccan subsidiary, for its involvement in anticompetitive arrangements regarding passenger and cargo shipping services between Spain and Morocco from 2002 to 2010. CMA CGM, which acquired COMANAV in 2007, was held jointly and severally liable. Considering this decision unfounded, CMA CGM and COMANAV appealed the decision before the *Audiencia Nacional* (appeals court) on January 3, 2013. The *Audiencia Nacional* granted a suspension of the payment of the fine until its final ruling in consideration of a bank guarantee in the full amount of the fine submitted by COMANAV.

Asbestos work-related matters

We are currently facing two types of legal actions in respect of asbestos work-related matters.

Compensation for illness and wrongful death

Vessels built in the 1970's and 1980's often used asbestos in the construction process. Until 2011, seafarers could not under French law bring asbestos-related claims against shipping companies. This changed in 2011 due to decisions of the French Constitutional Court (*Conseil Constitutionnel*) and Supreme Court (*Cour de Cassation*) making it possible for seafarers to sue their employers based on a theory of gross negligence (*faute inexcusable*). To obtain compensation in asbestos-related matters a French seafarer must first make a declaration of a work-related illness to the relevant French social security authority, the ENIM (*Etablissement National des Invalides de la Marine*). The ENIM then investigates and determines the amount of disability compensation, if any, to be paid by social security. Such compensation indemnifies the employee solely for economic losses by increasing the invalidity quotient used by the social security to determine the amount of the pension. In addition, the claimant may also, in certain circumstances, bring an action before a specialized tribunal (TASS) against its employer (based on gross negligence) to obtain damages for the prejudice suffered and the additional costs incurred because of the illness. To date, 16 such actions have been commenced against us by French seafarers formerly employed by shipping companies that we acquired in the past (such as CGM or DELMAS) seeking compensation for asbestos exposure in excess of the amounts already paid by French social security.

Compensation for emotional distress

Six claims have been filed against us by seafarers with various local administrative authorities (*Directions Départementales du Territoire et de la Mer*) alleging emotional distress over the possible consequences of past asbestos exposure. These claims are not for actual physical illness but rather the fear of becoming ill due to prior asbestos exposure.

No court decisions have been rendered to date in the above-referenced cases (of either type) as they are at a very early stage. The claims do not state an actual amount of damages, which would be set by the tribunal. We have established provisions for the above-referenced claims based on their nature (wrongful death, illness, emotional distress), amounting in the aggregate to $4.6 million as of September 30, 2013. The scope of potential claimants includes all seafarers who were employed in the 1970's and 1980's by us or by companies we since acquired. We cannot at this stage reasonably estimate the potential number of such claimants; we are seeking to do so through retrieval and review of archives but this process is not yet completed. Our overall exposure will depend on the number of claims filed and on the outcome of upcoming court decisions that will determine substantive issues and set benchmarks for the quantum of compensation. In light of these outcomes we will adjust our existing reserves to the extent appropriate and establish calibrated provisions going forward as and if further claims are made.

Hanjin commercial dispute (no litigation pending)

In 2007, we entered into various shipbuilding contracts with the Korean shipbuilder Hanjin Heavy Industries & Construction Co, Ltd ("Hanjin"), for the construction of six 3,600 TEU ships and two 12,800 TEU ships for a total purchase price of $752.1 million. We cancelled these orders in October 2009. Efforts since then to renegotiate the contract and adjust the order, such as we have done with other shipyards, have not succeeded to date. In June 2013, Hanjin notified us of the cancellation of the contract. We have established a provision covering the amount paid to date to Hanjin in respect of this contract ($162.0 million). While no legal action has been brought to date, a claim by Hanjin for payment of additional sums cannot be ruled out.

REGULATORY MATTERS

Our operations are materially affected by government regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which the ships operate, as well as in the country or countries of their registration. Because such conventions, laws and regulations are subject to revision, we cannot predict the continuing cost of compliance with such conventions, laws and regulations, the impact thereof on the resale price or useful life of ships or on business operations. Additional laws and regulations, environmental, security-related or otherwise, may be adopted and could increase our costs or limit our ability to service particular areas. See "*Risk Factors—Risks Relating to Our Business*."

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our operations. Subject to the discussion below and to the fact that the kinds of permits, licenses and certificates required for the operation of the vessels that we own will depend upon a number of factors, we believe that we have been and will continue to be able to obtain all permits, licenses and certificates material to the conduct of our operations.

Maritime and Competition Regulations

France. We are subject to wide-ranging laws and regulations regarding maritime operations, most of which are set forth in the French Code of Transportation, and in particular in Articles L5000-1 *et seq.*, and in the French Customs Code.

As part of our effort to qualify for certain tax advantages available from the French government for the financing of the purchase of new vessels, approximately 22% of the container ships we own fly the French flag. Under Article 219 of the French Customs Code, the main requirements for a vessel to be registered under the French flag are the following:

- the vessel must have been built in France or in the territory of an EU member state or have paid applicable import fees and taxes in one of these countries; and
- the vessel must be at least half-owned or will be half-owned following the exercise of a purchase option under a financial lease agreement: (i) by nationals of France or another EU or European Economic Area ("EEA") member state; (ii) by a company that is headquartered in France, or in the territory of another EU or EEA member state (provided in the latter two cases that the vessel is controlled and managed from a French permanent establishment); or (iii) by a company which is not headquartered in the European Union or in the EEA, provided that pursuant to an agreement between France and the country in which such company is headquartered, a French-registered company may legally conduct business and be headquartered in such country, and provided that the vessel is controlled and managed from a French permanent establishment.

In order to enhance the competitiveness of the French flag, the Law No. 2005-412 of May 3, 2005 (now codified under Articles L5611 *et seq.* of the French Code of Transportation) has created a French International Register (*Registre International Français*), pursuant to which vessels may be registered subject to certain conditions being met. The related legal regime provides, among other advantages, for certain tax exemptions in respect of crew salaries. French safety and environmental law is applicable. Crew residing outside the French territory are subject to a specific labor and welfare regime. The main conditions set forth by Article L5612-3 of the French Code of Transportation for registering a vessel on the French International Register are the following:

- 35% of the crew must be EU, EEA or Swiss Confederation nationals, this proportion being lowered to 25% if the vessel does not benefit—or no longer benefits—from the tax exemption scheme available upon its purchase; and
- the captain and the chief officer must be EU, EEA or Swiss Confederation nationals.

European Union. In the European Union, we are subject to competition rules set forth in the Treaty on the Functioning of the European Union, mainly Articles 101 and 102, and in the implementing Council Regulations (EC) 1/2003 and (EC) 246/2009.

Since the Council abolished carriers' right to set common prices and to limit capacities on shipping services to or from ports of the European Union in 2008, agreements or arrangements between carriers that restrict competition, in particular those pertaining to price fixing, capacity limitations or market allocations, are prohibited and subject to sanctions by the Commission. The Commission may impose fines on carriers engaged in anticompetitive practices. It may also impose remedies or render legally binding the commitments offered by companies in order to address certain competition concerns.

The Commission Regulation (EC) No 906/2009 details rules applicable to shipping companies consortia. Consortia are forms of operational cooperation between liner shipping companies with a view to providing a joint maritime cargo transport service. Liner shipping carriers transport cargo, in practice mostly by container, on a regular basis and on the basis of advertised timetables to ports on a particular geographic route. The Commission acknowledges that consortia allow the rationalization of carriers' activities, economies of scale, and more efficient use of vessel capacity and therefore enable customers to benefit from cost synergies, higher frequencies, and wider coverage of ports. The cooperation within a liner shipping consortium must be limited to operational cooperation. The consortium members are therefore require to market and price their services individually. Consortia whose members' combined market share in the relevant market does not exceed 30% are presumed not to restrict competition. Other consortia are subject to carriers' more detailed self-assessment of market conditions to verify that they do not restrict competition. The current Commission Regulation applies until April 25, 2015.

United States. Our carrier operations serving U.S. ports are subject to the provisions of the Shipping Act of 1984, as amended by the Ocean Shipping Reform Act of 1998 (the "Shipping Act"). Among other things, the Shipping Act confers immunity from U.S. antitrust laws for certain agreements between ocean common carriers operating in the United States foreign commerce, provided that the agreement has been filed with the U.S. Federal Maritime Commission (the "FMC"), and has become effective in accordance with the Shipping Act. The most common types of carrier agreements are slot exchange agreements, whereby carriers share space on each others' ships, and discussion agreements, in which carriers may discuss rates and other terms of service in the covered trades and voluntarily adopt recommended ocean freight rates and charges and other terms and conditions of service. We refer to these types of agreements as co-operation agreements. To receive a U.S. antitrust exemption, these co-operation agreements must be filed with the FMC and must become effective in accordance with the terms of the Shipping Act. In the normal course, a carrier agreement will become effective 45 days after filing, or 30 days after publication of the agreement in the Federal Register, whichever is later; the review period may be shortened if it qualifies for "expedited review" or falls within specified categories, such as a "low market share agreement." This review process may be extended if the FMC requests additional information from the parties to the agreement. If the FMC determines that the agreement is "substantially anti-competitive," a court injunction may be sought to prevent the parties from operating under the agreement.

Under the Shipping Act, ocean common carriers serving U.S. ports may offer container shipping to customers either through semi-confidential service contracts or through publicly available tariffs. The Shipping Act requires carriers to publish their tariff rates and certain service contract terms (other than the contract rates) electronically to allow public Internet access. Our liner services to U.S. ports are subject to Shipping Act and FMC regulatory requirements relating to carrier agreements, tariffs, and service contracts and civil penalties may be imposed for any failure to adhere to these statutory and regulatory requirements. Currently, penalties of up to $8,000 may be imposed for non-willful violations and up to $40,000 for each willful or knowing violation. It is important to note that the maximum amount for civil penalties is adjusted for inflation every four years, with the last adjustment occurring in 2011.

International. The IMO adopted stringent safety standards as part of the International Convention for the Safety of Life at Sea ("SOLAS"). Among other things, SOLAS, which is applicable to our vessels, establishes vessel design, structural, materials, construction, life-saving equipment, safe management and operation, and security requirements to improve vessel safety and security. The SOLAS requirements are revised from time to time, with the most recent modifications being phased in such as Electronic Chart Display and Information System (ECDIS), lifeboat release and retrieval systems, bridge navigational watch alarm system, etc.).

In 1993, SOLAS was amended to incorporate the International Safety Management Code or ISM Code. The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code became mandatory for container vessel operators in 2002. Our operations comply with the ISM Code and all our vessels have obtained the required certificates demonstrating compliance with the ISM Code.

Our vessels are regularly audited or inspected by flag states, as well as other national and international authorities acting under the provisions of their international agreements related to port state control authority, the process by which a nation exercises authority over foreign vessels when the vessels are in the waters subject to its jurisdiction.

We believe that we are in substantial compliance with all requirements of SOLAS and the ISM Code applicable to our operations.

Our business is also very sensitive to political developments, and we have to adapt our operations very quickly in order to ensure compliance with the multiple international and domestic regulations that apply to us. As a result we have developed a strict internal policy and we use our best efforts to ensure compliance with all applicable national and international standards, including but not limited, to those adopted by the United Nations, the European Union, and the United States of America "Sanctions." An in-house Economic Sanctions Desk has been created to supervise of all economic sanctions compliance matters relative to sanctioned countries. We screen all new partners and run daily automatic analysis of our worldwide bookings database against sanctions databases.

Security. Following the terrorist attacks on September 11, 2001, the U.S. Government adopted certain measures to improve security at various U.S. ports and with respect to vessel and cargo movements to and from the United States. On December 2, 2002, the U.S. Customs Service (now U.S. Customs and Border Protection) implemented what is sometimes called the Advance Manifest Rule, designed to enable Customs to evaluate the risks associated with certain shipments, and to screen cargo as necessary, before it is loaded onto vessels for importation to U.S. ports. The rule applies to all containerized cargoes, as well as break bulk cargoes unless specifically exempted. This rule requires carriers to submit expanded documentation regarding a vessel's cargo at least 24 hours before they begin loading a ship in a foreign port and prescribes penalties for carriers that fail to do so. This information must be submitted electronically through the automated manifest system ("AMS"). In addition, crew and passenger information must also be submitted electronically at least 96 hours before entering the first U.S. port, with certain exceptions for voyages of less than 96 hours. Failure to comply with these requirements may result in a vessel's entry into a U.S. port being delayed or denied or the assessment of penalties.

We have imposed a surcharge on cargo traveling to or through the United States to reflect the increased costs we incur under the notification and monitoring program. U.S. authorities have also increased container inspection rates. This is in some part due to legislation passed in 2006 ("the SAFE Port Act") mandating that, by the end of 2007, all containers entering the 22 highest volume ports be screened for radiation, and by the end of 2008, all containers entering all U.S. ports be screened for radiation. The SAFE Port Act contains other initiatives, including a plan for increased random inspections of container contents, the inspection of high-risk containers in foreign ports, and the implementation of an automated targeting system for high-risk cargo, all of which may further increase inspection and monitoring costs for carriers. The U.S. inspection, notification and monitoring programs may, in the future, be expanded and may also be followed by the implementation of similar or more intrusive and costly notification, monitoring and inspection programs in other countries where we operate.

As part of the initiatives undertaken to enhance vessel and cargo security, the U.S. Congress enacted the Maritime Transportation Security Act of 2002 ("MTSA"), which became effective on November 25, 2002. To implement certain portions of MTSA, the U.S. Coast Guard issued regulations in July 2003 specifying certain security procedures and requirements that must be observed by shoreside facilities and vessels operating in waters subject to the jurisdiction of the United States effective July 1, 2004. Similarly, in December 2002, the IMO amended SOLAS to include special measures to enhance maritime security and adopted the International Ship and Port Facility Security Code, or ISPS Code, which imposes various detailed security obligations on vessels and port facilities effective as of July 1, 2004. MTSA implements the ISPS Code in the United States. The ISPS Code requires, among other things:

- onboard installation of automatic identification systems to permit tracking of the vessels;
- onboard installation of ship security alert systems;
- development of ship security plans; and
- compliance with flag-state security certification requirements.

The U.S. Coast Guard regulations, which are generally consistent with the international requirements, exempt foreign-flag vessels from the MTSA requirements to submit a security plan to the United States for approval, provided such vessels have on board a valid International Ship Security Certificate demonstrating the vessel's compliance with the ISPS Code. As part of its port-state control program, the U.S. Coast Guard conducts verification examinations and inspections to verify ISPS Code compliance. Failure to comply with these requirements may result in a vessel being assessed penalties, detained, denied entry into port, or expelled from port. Moreover, our vessels call at U.S. ports which are subject to both the MTSA and the U.S. Coast Guard's security regulations. In rare instances, operations at these ports may be significantly curtailed or shut down by the U.S. Coast Guard for security reasons beyond our control.

Since January 1, 2011, any good-entering or transiting the territory of the European Union must have been declared in advance to customs via electronic declaration at least 24 hours prior to the departure from the port of loading.

In addition, the events of September 11, 2001 led to the enactment of Regulation 2004/725/CE of the European Parliament and of the Council on enhancing ship and port facility security and of Directive 2005/65/CE of the European Parliament and of the Council on enhancing port security.

Environmental Regulations

International. The IMO is the United Nations agency responsible for maritime safety and the prevention of maritime pollution by ships. The IMO has adopted several international conventions that require measures to improve safety and security at sea and prevent marine pollution. The International Convention for the Prevention of Pollution from Ships ("MARPOL"), is the main international convention imposing requirements to prevent pollution by ships due to operational, intentional or accidental causes. Technical standards are set forth in six annexes to the convention that deal, respectively, with the prevention of pollution by oil (Annex I), noxious liquid substances (Annex II), harmful substances in packaged forms (Annex III), sewage (Annex IV), garbage (Annex V) and air emissions (Annex VI). We believe that all our ships, whether owned or chartered, comply with all of the applicable material provisions of MARPOL as adopted by their respective flag states.

In October 2008, the IMO adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone-depleting substances, which entered into force on July 1, 2010. The amended Annex VI will reduce air pollution from vessels by, among other things, (i) implementing a progressive reduction of sulfur oxide emissions from ships by reducing the global sulfur fuel cap from initially 4.50% to the current cap of 3.50% (since January 1, 2012), then progressively to 0.50%, effective January 1, 2020 or 2025, subject to a feasibility review to be completed no later than 2018; and (ii) establishing new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation. European Commission has adopted Directive 2012/33/EU sets similar requirements than IMO Annex VI but with no postponement option to 2025.

The IMO has also adopted several other conventions relating to marine pollution. These include the International Convention for the Control and Management of Ships' Ballast Water and Sediments, which was approved on February 13, 2004, but has not yet entered into force. If this convention is ratified by the necessary number of countries representing a certain percentage of vessel tonnage worldwide, it will require mid-ocean ballast water exchange and ballast water treatment and could cause us to incur substantial compliance costs. In addition, the IMO's International Convention on Civil Liability for Bunker Pollution Damage (the "Bunker Convention") imposes, subject to limited exceptions, strict liability on vessels owners for pollution damage in jurisdictional waters of ratifying states, which does not include the United States, caused by discharges of "bunker oil." The Bunker Convention also requires owners of registered vessels over a certain size to maintain insurance for pollution damage in an amount generally equal to the limits of liability under the applicable national or international limitation regime. Other IMO conventions relate to the elimination of tin-based anti-fouling paint on ships' hulls, ship recycling, and transportation of dangerous goods and marine pollutants.

Responsibility for the enforcement of IMO conventions is primarily left to the flag states. However, under national (e.g., the U.S. Coast Guard) or regional port state control initiatives (*e.g.*, for the European coast line, the Paris Memorandum of Understanding ("Paris MOU"), port state authorities are empowered to inspect vessels to verify the condition and acceptability of foreign vessels using their ports. These schemes are designed to target substandard ships and could result in detention in port or expulsion from port. Moreover, according to Paris Memorandum of Understanding, CMA CGM-owned vessels obtained high score in terms of compliance in the frame of port state controls in 2013, ranking CMA CGM as one of the top worldwide maritime companies.

European Union. The European Union has been empowered to enact legislation on maritime safety and environmental protection under the co-decision procedure since the passage of the 1992 Maastricht Treaty. The bulk of this legislation aims at implementing IMO conventions in a harmonized way in order to enhance safety and pollution prevention standards and monitoring procedures.

Directive 96/98/EC provides for the uniform application of the relevant international conventions relating to the safety of on-board equipment in order to achieve a high standard of quality and ensure the free movement of such equipment within the European Community. Directive 2008/106/EC consolidates prior European legislation on the minimum level of training of seafarers with the objective of enhancing maritime safety and pollution prevention at sea, notably by removing substandard crews and guaranteeing effective oral communication relating to safety between members of the crew. Directive 2001/96/EC establishes harmonized requirements and procedures for the safe loading and unloading of bulk carriers, in order to reduce the risk of structural damage to the ship due to improper loading or unloading. Directive 2000/59/EC aims at enhancing the availability and use of port reception facilities for ship-generated waste and cargo residues in EU ports. Regulation 2006/336/CE of the European Parliament and of the Council implements the International Safety Management Code of the IMO.

Implementation of safety and pollution prevention standards are also governed by three directives and regulations. Directive 2009/15/EC and Regulation 391/2009/EC establishes measures to be followed by the Member States and organizations concerned with the inspection, survey and certification of ships for compliance with the international conventions on safety at sea and prevention of marine pollution. Directive 2009/16/EC, as amended by Directive 2013/38/EU sets harmonized Member State port control rules as to inspection rates, targeting, inspections procedures, port access refusal, rectification of deficiencies and detention of ships. This Directive is based on the Paris MOU, and both documents are kept equivalent through a policy of conforming changes. Directive 2013/38/EU extends the scope of port state control to various labor law issues.

In the wake of the Erika tanker sinking in 1999, the European Union passed three sets of legislation known as Erika I, Erika II, and Erika III designed primarily to reinforce oil tanker safety rules. Erika II included the Directive 2002/59/EC setting up a vessel traffic monitoring and information system aiming to give Member States rapid access to all important information relating to the movements and cargo of ships carrying dangerous or polluting materials. It also included Regulation 2002/1406/CE as amended by Regulation 2013/100/EU, which set up a European Maritime Safety Agency designed, among other things, to monitor the overall functioning of the European Community port State control arrangements by means of visits to the Member States. Recently, the European Union passed additional pieces of legislation as part of Erika III. Notable among this new package of legislation are Directive 2009/21/EC, which aims to ensure that Member States effectively and consistently discharge their obligations as flag States in order to enhance safety and prevent pollution from ships flying the flag of a Member State, and Directive 2009/20/EC, which sets forth rules on certain aspects of the obligations of shipowner's insurance for maritime claims. After the Prestige tanker sinking in 2002, the European Union passed Directive 2005/35/CE on ship-source pollution, introducing penalties for infringement.

The European Commission adopted a White Paper "Roadmap to a Single European Transport Area—Towards a competitive and resource efficient transport system" on March 28, 2011. The Commission aims to further develop the current European platform for maritime data exchange, SafeSeaNet, to become the core system for ensuring maritime safety and security and the protection of the marine environment from ship-source pollution. This may, for example, entail stricter controls of vessels and more rigid enforcement practices.

Directive 1999/32/EC relating to a reduction in the sulfur content of fuels as amended includes requirements for liquid fuels derived from petroleum and used by ships operating in member states' territorial waters. Currently, under the Directive, the following applies:

- The Directive defines identical emission control areas as contained in Annex VI of MARPOL for the North Sea (including the English Channel) and the Baltic Sea (the "Emission Control Areas").
- As a rule, the sulfur content of marine fuels used by vessels in the Emission Control Areas is limited to 1.5% by mass. Since, as Annex VI MARPOL has required sulfur limits of 1.0% for sulfur oxide Emission Control Areas since July 1, 2010, the stricter Annex VI requirement applies in the states that are signatories to MARPOL. Should those sulfur oxide Emission Control Areas be further expanded to, for example, the Mediterranean, this may further impact fuel costs.
- Since January 1, 2010, all vessels when at berth in European ports must burn fuel of no more than 0.1% sulfur content, allowing sufficient time for the crew to complete any necessary fuel changeover operation as soon as possible after arrival at berth and as late as possible before departure

Directive 2012/33/EU, amending Directive 1999/32/EC and to be implemented by June 18, 2014, introduces more rigid requirements for the sulfur content of marine fuels under MARPOL to the complete area under EU jurisdiction, regardless of whether a member state is signatory to MARPOL, by

- limiting the sulfur content of marine fuels used in the territorial seas, exclusive economic zones and pollution control zones falling within sulfur oxide Emission Control Areas
    - to 1.0% by mass until December 31, 2014; and

    - to 0.1% by mass as from January 1, 2015;
- limiting the sulfur content of marine fuels used in the territorial seas, exclusive economic zones and pollution control zones
    - to 3.5% by mass as from June 18, 2014; and
    - to 0.5% as from January 1, 2020 (other than under MARPOL, this requirement is not subject to a feasibility review to be completed until 2018, but will apply in any case);
- limiting the sulfur content of marine fuels used within the territory of member states to 3.5% by mass.

Under Directive 2012/33/EU, ships at berth in EU ports remain subject to the prohibition to use marine fuels with a sulfur content exceeding 0.1% per mass.

As an alternative to complying with the thresholds, ships may use specific emission abatement methods.

Compliance with the sulfur thresholds required by Directive 2012/33/EU, especially in sulfur oxide Emission Control Areas, can lead to a significant increase in fuel costs, at least in the short term. This may substantially impact our business and negatively affect our competitiveness with other types of transport. If appropriate, the European Commission may propose measures to counteract a shift from sea to land-based transport and member states may under certain circumstances provide state aid to operators affected by Directive 2012/33/EU.

Commission Recommendation 2006/339/EC of May 8, 2006 promotes shore-side electricity for use by ships at berth in European Community ports. It recommends member states to install shore-side electricity for use by ships at berth in ports and to offer economic incentives to operators to use such electricity. Currently, in ports, ships use their auxiliary engines inter alia to produce electricity and thus generate greenhouse gas emissions. One measure to reduce such emissions is to provide ships with shore-side electricity. According to experts, the supply of electricity to berths would significantly reduce emissions of particulate matter, volatile organic compounds, nitrogen oxide and sulfur oxide. The Commission calls on member states to work within the IMO to promote the development of harmonized international standards for shore-side electrical connections. The recent Directive 2012/33/EU obliges members states, as an alternative solution to using marine fuels complying with the sulfur thresholds for reducing air emissions, to encourage the use of onshore power supply systems by docked vessels. Should the use of onshore power supplies eventually be enacted into mandatory legislation, it will entail additional expenses for making vessels fit for such connection.

The European Parliament has adopted a proposal of the European Commission for the regulation of ship recycling (the "Ship Recycling Regulation") that is expected to be adopted by the European Council shortly and to enter into force by the end of 2013. The Ship Recycling Regulation provides for a system of survey and certification applicable to large commercial seagoing vessels that fly the flag of an EU Member State, covering their whole life cycle from construction to operation and recycling. According to the new rules, the installation or use of certain hazardous materials (e.g. asbestos, ozone-depleting substances, polychlorinated biphenyls, perfluorooctane sulfonic acid, anti-fouling compounds and systems) on ships will be prohibited or restricted and each new European ship (or a ship flying a flag of the third country calling at EU port or anchorage) will be required to have on board an inventory of hazardous materials. The new Ship Recycling Regulation also provides that European ship owners will have to ensure that ships are only recycled in ship recycling facilities that meet certain environmental and safety requirements.

France. French laws and regulations implement the safety and environmental rules applicable to container shipping as determined at the international and European levels. The provisions of Law no. 83-581, now codified in Articles L. 5241-1 *et seq.* of the French Code of Transportation, grants powers to maritime administrators to investigate and record infringements of international conventions and national legislation on maritime safety and pollution prevention, and sets the relevant criminal penalties. Decree no. 84-810, as amended by Decrees no. 2012-161 and no. 2013-484, sets the conditions under which French vessels are granted the international security and pollution prevention certificates required by IMO conventions, and implements the applicable port State control rules.

Law no 2008-757 implementing Directive 2004/35/CE on environmental liability with regard to the prevention and remedying of environmental damage introduced under French law a specific liability regime in order to prevent and remedy environmental damage caused notably to protected species and natural habitats. Under this new liability regime, operators carrying out dangerous activities, including the maritime transport of dangerous or polluting goods, fall under strict liability for damages caused to the environment in the course of their business without need to proof fault and operators carrying non dangerous listed activities are liable for fault-based damage to certain protected species or natural habitats. The operators held liable must pay for the prevention costs as well as for the costs related to the corrective measures implemented to remedy the pollution. In a 2012 decision relating to a civil liability claim, the French Supreme Court (*Cour de Cassation*) recognized the existence of a "pure ecological damage" distinct from "traditional damages" (damages to property, economic loss, personal injury) in the case of maritime pollution and held that the owner of the ship, the charterer and the classification societies could be held liable for such damages caused by the pollution.

French law also contains specific provisions applicable in the case of oil-related pollution. French ships or ships leaving a French port must subscribe to an insurance policy covering the risk related to oil pollution damage for ship fuels as required by the Bunker Convention. Fines may be applied in case of non-insurance of the vessels (Article L. 5123-2 of the French Transportation Code). Pursuant to the Bunker Convention to which the French Republic acceded in 2010 and which has been applicable under French law since April, 23, 2011, the owner of vessel shall be held liable for non-tanker ships oil pollution. Criminal legislation are also provided by the French Code of Environment (Articles L. 218-10 *et seq.*), imposing severe fines and imprisonment for ship-source pollution. Penalties differ depending on the size of the vessel.

United States. In the United States, ship owners and operators are subject to a number of federal and state laws and regulations with respect to protection of the environment in the course of ship operations in U.S. waters. The primary laws are the Oil Pollution Act of 1990 ("OPA") with respect to oil spill liability, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") with respect to spills or releases of hazardous substances, the Federal Water Pollution Control Act, also called the Clean Water Act ("CWA"), the National Invasive Species Act of 1996 ("NISA"), with respect to ballast water management, and the Clean Air Act ("CAA"), with respect to air emissions.

Under the OPA ship owners, operators and bareboat charterers are deemed "responsible parties" and are jointly, severally and strictly liable for all removal costs and damages caused by oil spills from their ships. Damages can include natural resource damages and assessment costs, real and personal property damage, net loss of taxes, royalties, rents, fees and other lost revenue, lost profits or impairment of earning capacity, and the net cost of public services necessitated by a spill response. Although the Oil Pollution Act is primarily directed at oil tankers, which we do not operate, it also applies to non-tanker ships, including container ships, with respect to the fuel carried on board. The OPA generally limits the liability of non-tanker owners to a specified amount, which is periodically updated for inflation. The liability limits were raised to this level for non-tank vessels effective July 31, 2009, and the U.S. Coast Guard must adjust the limits at least every three years to reflect increases in the U.S. Consumer Price Index. In addition, the liability is not limited if the responsible party fails to report the oil spill or fails to cooperate with the response action or comply with a removal order. The OPA also imposes civil and criminal penalties relating to certain spill incidents. As a result of the oil spill in the Gulf of Mexico resulting from the explosion of the Deepwater Horizon drilling rig, bills have been introduced in both houses of the U.S. Congress to increase the limits of OPA liability for all vessels, including non-tank vessels.

The OPA requires all responsible parties to establish and maintain evidence of financial responsibility sufficient to meet the maximum liability to which it could be subject under the OPA. Financial responsibility may be established by any combination of the following: evidence of insurance, surety bond, guarantee, letter of credit, qualification as self-insurer or other evidence of financial responsibility. The U.S. Coast Guard will issue a Certificate of Financial Responsibility to the vessel operator once financial responsibility is established to the U.S. Coast Guard's satisfaction. Although we believe that we have sufficient insurance under our three protection and indemnity policies to cover damages that might arise under the OPA, there can be no assurance that such insurance will be sufficient to cover all such risks or that any such claims will not have a material adverse effect on our business, operations or financial condition. For information on our insurance policies, see "*Business—Insurance*." In addition, the Oil Pollution Act specifically preserves state law liability and remedies, whether by statute or at common law. Some U.S. states have enacted legislation providing for unlimited liability for oil spills both in terms of removal costs and damages. As such, overall liability under certain U.S. state laws for a spill is virtually unlimited, and could theoretically exceed our available insurance coverage in the case of a catastrophic spill. Furthermore, as per the U.S. Coast Guard final rule for nontank vessel response plans published on September 30, 2013, vessel response plans that include arrangements for salvage and other means for addressing a worst case discharge must be submitted by January 30, 2014.

In addition, Title VII of the Coast Guard and Maritime Transportation Act of 2004 ("CGMTA") amended the OPA to require the owner or operator of any non-tank vessel of 400 gross tons or more that carries oil of any kind as a fuel for main propulsion to prepare and submit an oil spill response plan for each vessel by August 2005. Previously, U.S. law required response plans only for oil tankers, which we do not operate. The response plans must include detailed information on actions to be taken by vessel personnel to prevent or mitigate any discharge or threat of discharge of oil from the vessel. We have prepared the necessary plans to comply with the CGMTA and the Oil Pollution Act. CERCLA governs spills or releases of hazardous substances other than petroleum, natural gas, and related products. CERCLA imposes strict and joint and several liability on the owner or operator of a ship, vehicle or facility from which there has been a release, as well as other responsible parties. Spills or releases could occur during shipping, land transportation, terminal or other transport-related operations. Damages may include removal costs, natural resource damages and economic losses, without regard to physical damage to a proprietary interest. CERCLA generally limits the liability of vessel owners to a specified amount, which is periodically updated for inflation. Vessel operators must also demonstrate financial responsibility to the Coast Guard's satisfaction, which is evidenced by a Certificate of Financial Responsibility.

The CWA prohibits the discharge of "pollutants," which includes oil or hazardous substances, into navigable waters of the United States and imposes civil and criminal penalties for unauthorized discharges. State laws for the control of water pollution also provide varying civil, criminal and administrative penalties in the case of discharges of petroleum or hazardous substances. The CWA complements the remedies available under the OPA and CERCLA discussed above. In addition, when our vessels are operating in the navigable waters of the United States, we are also subject to liability for discharges of oil, hazardous substances, and other pollutants under the Refuse Act and the Act to Prevent Pollution from Ships, which requires specific pollution prevention equipment and operating and recordkeeping procedures; both of those laws provide for substantial administrative and civil fines, as well as criminal sanctions for violations.

The U.S. Environmental Protection Agency ("EPA") regulates the discharge in U.S. ports of ballast water and other substances incidental to the normal operation of vessels. Under EPA regulations, commercial vessels greater than 79 feet in length are required to obtain coverage under the Vessel General Permit, or "VGP," to discharge ballast water and other wastewater into U.S. waters by submitting a Notice of Intent, or "NOI." The VGP requires vessel owners and operators to comply with a range of best management practices and reporting and other requirements for a number of incidental discharge types and incorporates current U.S. Coast Guard requirements for ballast water management, as well as supplemental ballast water requirements. On March 28, 2013, the EPA issued a new VGP, which will become effective on December 19, 2013. The new VGP contains more stringent requirements, including numeric ballast water discharge limits that generally align with the most recent U.S. Coast Guard standards that were issued in 2012, to ensure that the ballast water treatment systems are functioning correctly, and more stringent effluent limits for oil to sea interfaces and exhaust gas scrubber wastewater. We have submitted NOIs for our vessels operating in U.S. waters and will likely incur costs to meet the more stringent requirements of the new VGP. In addition, various states have also enacted legislation restricting ballast water discharges and the introduction of non-indigenous species considered to be invasive. Permit requirements could force us to incur substantial costs to install equipment on our vessels to treat ballast water before it is discharged or could restrict some or all our vessels from entering U.S. waters.

NISA was enacted in 1996 in response to growing reports of harmful organisms being released into U.S. ports through ballast water taken on by ships in foreign ports. NISA established a ballast water management program for ships entering U.S. waters calling for mid-ocean ballast water exchange, retention of ballast water onboard the ship or the use of environmentally sound alternative ballast water management methods approved by the U.S. Coast Guard. The Coast Guard subsequently issued regulations implementing the NISA requirements. These regulations not only established penalties for ships entering U.S. waters that fail to submit ballast water management reports, but also promulgated an extensive regime of ballast water retention and exchange procedures that must be completed outside 200 nautical miles from the United States. In addition, these regulations require vessels to maintain a ballast water management plan that is specific to the vessel and assigns responsibility to the master or appropriate official to understand and execute the ballast water management strategy for the vessel. Noncompliance with ballast water management reporting and recordkeeping requirements may result in the imposition of a civil penalty for each violation (each day of a continuing violation constitutes a separate violation). Knowing violations are subject to criminal penalties, including fines and imprisonment. We believe that we are in substantial compliance with all such material regulatory requirements.

In addition, the EPA has enacted stringent regulations governing air emissions from ships, including emissions standards for marine diesel engines, pursuant to the CAA with regard to air emissions. The EPA has implemented rules comparable to those of MARPOL Annex VI to increase the control of air pollutant emissions from certain large marine engines by requiring certain new marine-diesel engines installed on U.S. registered ships to meet lower NOx standards which will be implemented in two phases. The newly built engine standards that became effective in 2011 require more efficient use of current engine technologies, including engine timing, engine cooling, and advanced computer controls to achieve a 15% to 25% NOx reduction below previous levels.

The new long-term standards for newly built engines will become effective in 2016 and will require the use of high efficiency emission control technology such as selective catalytic reduction to achieve NOx reductions 80% below the current levels. Adoption of these and emerging standards may require substantial modifications to some of our existing marine diesel engines and may require substantial capital expenditures. Moreover, effective January 1, 2015, the low sulfur fuel limit currently applicable to vessels before entering the North American Emission Control Area (extending 200 nautical miles from U.S. coastlines), which was initially adopted in August 2012, will be reduced from 1.0% to 0.1%. For more information, see "*Risk Factors—Risk Relating to Our Business and Industry—We could face substantial liability if we fail to comply with existing laws and regulations, including in respect of the environment, and we could be adversely affected by changes in those laws and regulations*."

In California, as per California Air Resources Board ("CARB") regulations since July 1, 2009, all ocean-going vessel main (propulsion) diesel engines, auxiliary diesel engines, and auxiliary boilers have to be switched to low sulfur fuel when operating within the 24 nautical mile regulatory zone off the California coastline. Furthermore, it is expected that in 2014 vessels calling at California ports (Ports of Los Angeles, Long Beach, Oakland, San Diego, San Francisco and Hueneme) will have to turn off auxiliary engines in port and connect the vessel to shorepower, a process known as cold ironing and fuel sulfur content for ships operators within this zone will further decrease.

Inspection by Classification Societies

Every seagoing vessel must be "classed" by a classification society that has been approved by the vessel's flag state. Classification societies certify that a vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society. Also, flag states often delegate to classification societies the authority to conduct vessel safety inspections that are required by international conventions, by corresponding laws and ordinances of the flag state, or by additional regulations and requirements independently issued by the flag state.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as in class by a classification society which is a member of the International Association of Classification Societies(IACS). Each of our vessels is class-certified by a member of the IACS. All vessels we purchase, including second-hand vessels, must be class-certified prior to delivery.

Classification societies inspect vessels during and immediately after construction and issue an initial "in class" certificate if the society's rules are met. To maintain "in class" status, a vessel must undergo regular inspections to assess its structural strength and integrity and the reliability and function of main and essential auxiliary machinery, systems and equipment, include, among others, the propulsion system, steering system, and electrical plant. These inspections, referred to as surveys, typically involve a classification society surveyor visually examining various parts of the vessel and witnessing tests, measurements and trials where applicable. After the initial certification, surveys are conducted on a five-year cycle as follows:

Annual Surveys: Approximately once every 12 months, a classification society surveyor must conduct a general external inspection of the vessel's hull, equipment, and machinery. Annual surveys typically take one day, but in some cases, it takes up to several days to complete.

Intermediate Surveys: Extended annual surveys, referred to as intermediate surveys are conducted between two to three years after the initial class certification and between two to three years after each class renewal survey. The intermediate survey replaces the annual survey that would have occurred that year. During an intermediate survey, a classification society surveyor conducts a more extensive inspection of the vessel's hull, equipment, and machinery, and may also include ultrasonic thickness measurements of the hull in some cases (upon request and for older vessels). Drydocking is required for intermediate surveys in order to thoroughly examine the vessel's hull and is generally replaced by a diving inspection instead of a drydock inspection, as allowed by the Solas Convention.

Class Renewal Surveys: Class renewal surveys, also known as special surveys, must be carried out every five years. The class renewal survey replaces the annual survey that would have occurred that year. Class renewal surveys include extensive in-water and out-of-water examinations to verify that the structure, main and essential auxiliary machinery, systems and equipment are still in compliance with the classification society rules. The survey is intended to assess whether the structural integrity remains effective and to identify areas exhibiting corrosion, deformation, fractures, other damage, or other forms of structural deterioration. The screw shafts, tube shafts, stern bearing, boilers, and thermal oil heaters are also inspected. Drydocking is required for class renewal surveys in order to thoroughly examine the vessel's hull. Class renewal surveys may take several weeks to complete while vessels are in operation.

Non-periodic or occasional Surveys: Additional surveys may be required to assess damage or suspected damage and to evaluate repair, renewal, alteration, or conversion work. Surveys may also be required if a vessel changes ownership or changes its flag state.

If any defect is found in a classification society survey, the classification society will issue a "condition of class" or "recommendation." Conditions of class and recommendations require a ship's owner to carry out specific measures, repairs, or additional inspections within prescribed time limits in order to maintain the vessel's class certification. Compliance with conditions of class may involve extensive repairs and lengthy drydocking, which would adversely impact our revenue and require us to incur substantial costs. In particular, if a classification surveyor finds that the thickness of the hull or other structures of any of our vessels is less than required by the classification society rules, the classification society will require steel renewal. Aging vessels and vessels experiencing excessive wear and tear may require extensive steel renewal as a condition of class. Steel renewal is expensive and may involve lengthy drydocking. If steel renewal is required for any of our vessels, we would incur substantial costs in order to continue using those vessels. During inspections, classification societies also assess vessel compliance with international conventions and applicable flag state laws and regulations. If our vessels are not in compliance with these requirements, our "in class" certification could be revoked and we could be required to carry out lengthy and costly repairs. Accordingly, our policy is to keep our vessels "in class" and fitted for service at any time.

If any of our vessels do not maintain "in class" status, those vessels will be unable to trade between ports and we will therefore not be able to employ them. This could substantially decrease our revenue and cause us to incur substantial costs. Moreover, we could be in violation of certain covenants in our bank loan agreements as a result.

Classification society rules do not cover every structure or item of equipment on a vessel and do not cover operational elements such as crew training. Activities that fall outside the scope of classification society rules include such items as: design and manufacturing processes; choice of type and power of machinery; number and qualification of crew; cargo carrying capacity; maneuvering performance; hull vibrations; spare parts; life-saving equipment; and maintenance equipment. The classification societies that inspect and certify our vessels do not guarantee the safety, fitness for purpose or seaworthiness of those vessels. However, in addition to classification society rules, vessels are subject to safety regulations and inspections of their flag states, which often cover those items not covered by classification society rules, including those relating to the safety, fitness for purpose and seaworthiness of the vessels.

MANAGEMENT

Board of Directors and Other Key Management

Prior to January 18, 2010, we were governed by a Supervisory Board and an Executive Board. We have been governed by a Board of Directors (*Conseil d'Administration*) since January 18, 2010.

Board of Directors

The following table sets forth the name, age and position of each of the members of our Board of Directors.

Name	Age	Position	Business Address
Jacques R. Saadé	76	Chairman and General Manager	4, quai d'Arenc, 13002 Marseille, France
Farid T. Salem	74	Deputy General Manager and Director	4, quai d'Arenc, 13002 Marseille, France
Rodolphe Saadé	43	Deputy General Manager and Director	4, quai d'Arenc, 13002 Marseille, France
Tanya Saadé Zeenny	45	Director	4, quai d'Arenc, 13002 Marseille, France
Naïla Saadé	72	Director	4, quai d'Arenc, 13002 Marseille, France
Jihad Azour (representing Merit)	47	Director	136, Allenby Street – 2nd Floor, Solidere, Beirut, 2012-6006, Lebanon
Pierre Mongin	59	Director (Independent)	54, quai de la Rapée, 75012 Paris, France
Dominique Bussereau	61	Director (Independent)	Assemblée Nationale, 126, rue de l'Université, 75007 Paris, France
Robert Yüksel Yildirim	53	Director	Meydan Sokak, 1, Beybi Giz Plaza, 3rd – 4th Floor, 34398 Maslak, Istanbul, Turkey
Evren Õztürk	32	Director	Meydan Sokak, 1, Beybi Giz Plaza, 3rd – 4th Floor, 34398 Maslak, Istanbul, Turkey
Ercüment Erdem	52	Director (Independent)	Valikonağı Caddesi, Başaran Apt. No 21/1-3, 34367 Nişantaşı, İstanbul, Turkey
Denis Ranque	61	Director	37, boulevard de Montmorency, 75781 Paris Cedex 16, France
Salim El Méouchi	70	Director	315 Saifi, 3 Salim Takla Street, Beirut, Lebanon

Jacques R. Saadé founded the CMA CGM group in 1978 and has managed it ever since. Jacques R. Saadé was appointed as a Director from the candidates proposed by Merit. He became Chairman of the Board of Directors in January 2010 and General Manager on January 28, 2011. Mr. Saadé was the Chairman and President of the Supervisory Board between 2001 and 2010, prior to which he was President of *Compagnie Maritime d'Affrètement* (CMA) since he founded CMA S.A. in 1978 and of CGM S.A. since November 1996. He has been President of the Franco-Lebanese Chamber of Commerce since 1986. Jacques R. Saadé graduated from the London School of Economics (1957). He is Naïla Saadé's husband, Rodolphe Saadé and Tanya Saadé Zeenny's father and Farid T. Salem's brother-in-law.

Farid T. Salem was appointed as a Director from the candidates proposed by Merit. He has been a Deputy General Manager and a member of the Board of Directors since 2010. He was a member of the Supervisory Board beginning in 2001 and was Group Chief Executive Vice President from 1999. Between 1978 and 1979, he participated in the creation of CMA S.A. in Marseilles. He has been with CMA S.A. since 1986. From 1976 to 1986, he acted as manager of fisheries at United Fisheries of Kuwait. He began his career in 1964 with Lebanon's Packfreez as a director and partner. From 1964 to 1973 he successively headed the import and distribution of food products in Lebanon and industrial fishing operations in Madagascar. From 1974 to 1976, he was back in Lebanon, following the Madagascar government's nationalisation of the fishing companies. He founded and managed Polyfreez, an importer and distributor of seafood products in Lebanon. .Farid T. Salem holds a master's degree in law and economics from St. Joseph University in Beirut. He is Naïla Saadé's brother, Jacques R. Saadé's brother-in-law and Rodolphe Saadé and Tanya Saadé Zeenny's uncle.

Rodolphe Saadé was appointed as a Director from the candidates proposed by Merit. He has been a Deputy General Manager and a member of the Board of Directors since 2010. Prior to this, he was Chief Executive Vice President and a member of the Executive Board as of 2004, and from 2001 to 2004, was a member of the Supervisory Board. He became the line's Central Director in 2002, after to be appointed Director of the Transatlantic and Transpacific line in 2000. Previously he served as a line manager between 1997 and 1999 for various lines. Before that, he served as a trainee at CMA S.A. in New York from 1994 to 1995, and he previously served as Chief Executive Officer of Dynamics Concept in Lebanon, which he founded. Rodolphe Saadé obtained a Bachelor of Commerce degree from Concordia University in Montreal (Canada). He is Jacques R. Saadé and Naïla Saadé's son, Tanya Saadé Zeenny's brother and Farid T. Salem's nephew.

Tanya Saadé Zeenny was appointed as a Director from the candidates proposed by Merit. She has been a member of the Board of Directors since January 2010 and General Secretary of the CMA CGM group since 2011, prior to which she was a member of the Supervisory Board beginning in 2001 with the position of Vice-Chairman from 2006 to 2010. She joined the group in 1995 to set up the Corporate Communications department. She has held the position of Vice President, Corporate Communications of CMA CGM since September 1999 and prior to that held the same position in CMA S.A. She was also responsible for communications in relation to the merger process of CMA S.A. and CGM S.A., starting in 1998. Previously, she was the Director of Corporate Communications for both CMA S.A. and CGM S.A. from 1996 to 1998. In 2005, she was appointed Vice-President of the CMA CGM Corporate Foundation. In 2010, she is in charge of the Group Administration & Facilities Management and in March 2011, she became General Secretary of CMA CGM group. Tanya Saadé Zeenny is a graduate of the American Business School in Paris. She is Jacques R. Saadé and Naïla Saadé's daughter, Rodolphe Saadé's sister and Farid T. Salem's niece.

Naïla Saadé was appointed as a Director from the candidates proposed by Merit. She has been a member of the Board of Directors since June 28, 2013. Naïla Saadé is the President of the CMA CGM Corporate Foundation, which she founded in 2005 to support projects relating to children with disabilities and illnesses. In 2012, Naïla Saadé decided to put CMA CGM's expertise at the service of two major French NGOs (*Action contre la Faim* and *Médecins Sans Frontières*) through a dedicated program to humanitarian operation in Africa, Containers of Hope, offering the transport of one hundred 20-foot containers. Naïla Saadé is the wife of Jacques Saadé, the mother of Rodolphe Saadé and Tanya Saadé and the sister of Farid T. Salem.

Robert Yüksel Yildirim was appointed as a Director from the candidates proposed by Yildirim. He has been a member of the Board of Directors since January 27, 2011. He serves as the Chief Executive Officer and President of Yilidirim Group. Mr. Yilidirim has been involved in the family companies and businesses for over 16 years. He is responsible for Yildirim Group's foreign trade activities, financing (trade and project) and investments of new projects (such as container terminal design, shipbuilding and acquisitions of companies). Prior to that, he spent over four years at Paceco Corp., in San Mateo, California as a design and project engineer for ship-to-shore gantry cranes, rubber-tired gantry cranes, and container handling equipment. He was awarded a bachelor's degree and a master's degree in mechanical engineering from Istanbul Technical University and Oregon State University, respectively.

Evren Õzturk was appointed as a Director from the candidates proposed by Yildirim. He has been a member of the Board of Directors since January 27, 2011. Mr. Õzturk has been the Chief Financial Officer–Finance Director of Yildirim Holding Inc. since 2004. He has a bachelor's degree from Marmara University in Istanbul and master's degrees in Strategy of Management, Financial Markets and Investment Management, and Economy from Gebze Institute of Technology, Marmara University, and Yidiz Technical University, respectively. Mr. Õzturk also has a PhD in Finance and Accounting from Marmara University.

Ercüment Erdem is an independent Director who was appointed from the candidates proposed by Yildirim. He has been a member of the Board of Directors since January 27, 2011. He specializes in international commercial law, mergers and acquisitions, privatizations, corporate finance and arbitration. He is a professor of commercial law at Galatasaray University Law School (Istanbul) and he teaches law of negotiable instruments, corporate law, competition law and international commercial law. He is also a member of various legal associations: ICC Institute Council; ICC Incoterms Experts Group; ICC Turkish National Committee Arbitration Council. Mr. Erdem is also a representative of Turkey in the ICC Commercial Law and Practice Commission, a member of several ICC Task Forces and the *Association Henri Capitant des amis de la culture juridique française*.

Jihad Azour has been representing Merit in its capacity as a Director since June 2012. Born in 1966, Jihad Azour is a Lebanese economist and politician. He holds a doctorate in International Finance from Institut d'Etudes Politiques in Paris and a master's and post-graduate degree in Applied Economics from Université Paris Dauphine. Mr Azour began his career at the strategy consulting firm McKinsey & Company in Paris. In 1999, he was appointed World Bank/United Nations Development Programme project director in charge of reform at the Lebanese Ministry of Finance, and was named an adviser to the Finance Minister. He was appointed Lebanon's Minister of Finance in 2005, a position he held until 2008. From 2006 to 2008, he chaired the G8-MENA ministerial group, which was comprised the ministers of finance and central bank governors of the G8 and Middle East/North Africa countries. Since 2009, he has been a member of the Middle East Regional Advisory Group (MEAG) for the International Monetary Fund. Mr Azour is currently Managing Director of Inventis Partners, a private equity firm with investments in Europe, Middle East and North Africa.

Pierre Mongin is an independent Director who was appointed from the candidates proposed by Merit. He has been a member of the Board of Directors since June 2012. A graduate of *Ecole Nationale d'Administration*, he began his career in 1980, holding various positions in the French prefectural corps. In 1987, he was appointed Head of Cabinet to Yves Galland, the Minister of Local Authorities. In 1993, he was appointed Chief of Staff to French Prime Minister Edouard Balladur. From 1995 to 2004, he successively served as Prefect of Eure et Loire (1995-1999), Vaucluse (1999-2002) and the Auvergne region and Puy-de-Dôme (2002-2004). In 2004, he was named Head of Cabinet to Interior Minister Dominique de Villepin, who kept him as his Head of Cabinet (2005-2006) when he became Prime Minister. In 2006, Piere Mongin was appointed Chairman and Chief Executive Officer of the Régie Autonome des Transports Parisiens (RATP), the Paris metropolitan transit system.

Pierre Mongin was placed under examination (*mis en examen*) on September 12, 2013 in the course of an investigation being conducted by an examining judge (*juge d'instruction*) into an alleged illegal financing of the campaign of Edouard Balladur (of whom Pierre Mongin was Chief of Staff at the time) in the 1995 French presidential election. Pierre Mongin is entitled to the benefit of the presumption of innocence. The investigation remains ongoing and no indication can be given as to its likely timing or outcome.

Dominique Bussereau is an independent Director who was appointed from the candidates proposed by Merit. He has been a member of the Board of Directors since September 2012. A graduate of *Institut d'Etudes Politiques* in Paris, in May 2002, Mr Bussereau was appointed State Secretary for Transport, and in June 2002, State Secretary for Transport and the Sea, attached to the Minister of Public Works, Transport, Housing, Tourism and the Sea. He was appointed State Secretary in charge of the Budget and Budget Reforms in March 2004, prior to being named Minister for Agriculture, Food, Fisheries and Rural Affairs in November of the same year. In 2007, he was named State Secretary for Transport, a position he held until November 2010. During his various terms of office, he applied his expertise in the transport sector to bring about the reform of France's ports, thereby helping to make them more competitive. Mr Dominique Bussereau is currently a member of the French Parliament (*Assemblée Nationale Française*) and President of Department Charente-Maritime.

Denis Ranque was appointed as a Director from the candidates proposed by FSI. He has been a member of the Board of Directors since June 28, 2013, prior to which he was an independent member of the Board of Directors from 2010 to 2012. An engineering graduate of the *École polytechnique* (1970) and *Corps des Mines*, Denis Ranque began his career at the French Ministry for Industry where he held various positions in the energy sector. He joined the Thomson Group in 1983. In January 1998, Denis Ranque was made Chairman and CEO of Thomson-CSF, which became Thales in 2000 due to the merger with Dassault Électronique and the takeover of British firm Racal Electronics. It was a position he would hold until May 2009. From February 2010 to June 2012, he was made Chairman of the Board of Technicolor. He was also Director of France's FSI *(Fonds Stratégique d'Investissement*) board from 2011 to 2012, and Director of CGG Veritas from 2010 to 2012. Denis Ranque is now Chairman of the Board of EADS and a member of the board of directors of Saint Gobain.

Salim El Meouchi was appointed as a Director from the candidates proposed by Merit. He has been a member of the Board of Directors since June 28, 2013. He is the Chairman and Senior Partner of Badri & Salim El Meouchi Law Firm, and has been with the firm since 1968. He has been a member of the Beirut Bar since 1967. Salim El Meouchi graduated from St. Joseph University, Beirut, with a French and Lebanese Master of Law in 1967, and obtained an advanced degree in Lebanese Law in 1968 from St. Joseph University and Lyon University (France). He has been consistently recognized as a leading lawyer and specialist in corporate, commercial and banking law, as well as in all aspects of litigation and arbitration, frequently being selected as arbitrator before the ICC Commercial Court of Arbitration. He sits on various boards of directors of banks and companies based in various countries, and is a member of the legal committee of the Lebanese Association of Banks. He is an advisor to the Central Bank of Lebanon.

Other Key Management

The following table sets forth the name, age and position of each of the members of our other key management.

Name	Age	Position	Business Address
Thierry Billion	51	Senior Vice President, Human Resources	4, quai d'Arenc, 13002 Marseille, France
Alexis Michel	56	Senior Vice President, Container Logistics, Inland Activities and Reefer	4, quai d'Arenc, 13002 Marseille, France
Nicolas Sartini	52	Group Senior Vice President, Asia>Europe Lines	4, quai d'Arenc, 13002 Marseille, France
Michel Sirat	52	Group Chief Financial Officer	4, quai d'Arenc, 13002 Marseille, France
Jean-Phillippe Thenoz	59	Senior Vice President, Group Agencies Network	4, quai d'Arenc, 13002 Marseille, France
Elie Zeenny	52	Senior Vice President, Group Insurance & It Systems	4, quai d'Arenc, 13002 Marseille, France

Michel Sirat has been the Group Chief Financial Officer since June 2011. Between 2000 and 2011, he was a senior executive in various financial and operational positions at the Suez (GdF-Suez) group in Paris, Houston (Texas) and Brussels. Between 1989 and 2000, he was at the French Treasury and the IMF (Washington DC). Michel Sirat holds degrees from the *Ecole Nationale d'Administration*, *Ecole Centrale de Paris* and *Institut d'Etudes Politiques de Paris*.

Nicolas Sartini has been Group Senior Vice President Asia-Europe Lines since 2008 and also supervises ANL and Cheng Lie Navigation. He has overseen Asia-Europe trades since 1999 after previously serving as Vice President of the Mediterranean Express line beginning in 1993. He has been with CMA CGM for 23 years. Before joining CMA S.A., he worked with Delmas from 1985 to 1990, first as a line manager of its subsidiary, Octomar, then as director of African Island Shipping and finally as a manager in charge of the Indian Ocean line. Mr. Sartini graduated from the *Ecole des Hautes Etudes Commerciales* business school in 1983.

Elie Zeenny was promoted to Senior Vice President, Group IT Systems in December 2012. He is also responsible for all of the Group's marine and non-marine insurances. It was in 2003 that Elie Zeenny joined the Group as Deputy Vice-President, Group Agencies Network Department. He previously held the position of Sales Director at PRINTONIX Inc. Mr. Zeenny graduated from San Diego State University (California) with a Bachelor's of Science and from Hartford University (CT) with a Masters of Business Administration.

Thierry Billion, joined CMA CGM in 2005 as Senior Vice President Human Resources. He has spent most of his professional career in human resources management. Before joining CMA CGM, he was director of human resources of the 9 TELECOM Group. Prior to that, Thierry Billion held various human resources roles within companies such as Rhodia Group (HPCII & Food) and Omya. He is a graduate of ICG (Business and Management School—ESG Paris) and has a DEA - post-graduate diploma in Private Law, Taxation and Economics from Lyon III University.

Jean-Phillippe Thenoz joined CMA Marseille in 1985. He assumed various line management responsibilities in a number of different trades and is now heading as Senior Vice President the Group Agencies Network. Jean-Philippe Thenoz is a graduate of Aix-en-Provence University with degrees in Political Science, Law Regulations and a master's degree in Geography.

Alexis Michel has been Senior Vice President of Container Logistics, Logistics SVP since 2007 and Reefer SVP since 2009. He has been with CGM IT and Logistics since 1988 and joined the Company's Container Department in 1997 as Container Flow Manager. Mr. Michel graduated as an engineer from *Ecole Nationale d'Agronomie* and has a master's in Management from *Arts et Métiers*.

Corporate Governance

The Company is managed by a Board of Directors (*Conseil d'Administration*) and a General Manager (self-designated as "Chief Executive Officer" or "CEO" (*Directeur Général*)). Our Articles of Association direct that our Board of Directors consist of thirteen members. Each Director is elected for a term of three years, but may be dismissed at any time by a decision taken at the ordinary general meeting of shareholders. The Board of Directors elects a Chairman (*Président*) from among its members for a time period that may not exceed his office as a Director. Subject to any powers expressly allocated to the shareholders or as otherwise provided by the Articles of Association, the Board of Directors shall have full authority to determine the strategic direction of the Company and any actions in furtherance thereof.

The Board of Directors currently has one committee in operation, the "Audit and Accounting Committee." The Internal Regulations of the Board of Directors provide that this committee be chaired by an independent director. Its members are appointed by the Board of Directors for a one-year period and are currently as follows:

- Chairman: Pierre Mongin; Members: Farid T. Salem, Evren Öztürk, Denis Ranque and Merit (represented by Jihad Azour).

The Board of Directors appoints the General Manager (who may be, and currently is, the same individual as the Chairman of the Board) for a three-year term, and the General Manager is responsible for the general oversight and day-to-day management of the Company. Subject to the corporate purpose and any powers expressly reserved for the Board of Directors or shareholders in accordance with the Articles of Association, the Internal Regulations of the Board of Directors, the shareholders' agreement, dated as of January 27, 2011, among us, Merit and Yildirim (the "Yildirim Shareholders' Agreement"), the shareholders' agreement, dated June 28, 2013 among us, Merit and FSI in the presence of Yildirim (the "FSI Shareholders' Agreement") and applicable law, the General Manager has full authority to act on behalf of and represent the Company. Upon the recommendation of the General Manager, the Board of Directors may appoint one, two or three Deputy General Manager(s) (self-designated as "Executive Officer(s)" or "EO(s)" (*Directeur(s) Général Délégué(s)*)) to assist the General Manager in the performance of his duties.

On December 16, 2010, the Board of Directors decided, with effect from January 2011, that the general management of the Company shall be the responsibility of the Chairman of the Board.

In connection with the Yildirim Investment (as defined herein—see "*Management—Corporate Governance*"), Yildirim Holding, Yildirim AM, Merit and the Company entered into a shareholders agreement, pursuant to which, as the holder of the A Preference Share, Yildirim is entitled to appoint three members to our Board of Directors. In addition, certain strategic decisions enumerated in the Yildirim Shareholders' Agreement require, in addition to any requirements imposed by law and our governing documents, the vote of at least one of the directors appointed by Yildirim other than an independent director; these transactions include, but are not limited to, the following: approval or modification of the Company's business plan and annual budget, decisions involving financial investment or additional indebtedness in an amount greater than $50.0 million, modification of the Company's articles of association, capital increase, capital decrease, merger, spin-off or issuance of securities, distribution of dividends in excess of $100.0 million in a fiscal year, modification of the Company's main business, issuance of guarantees or indemnity in an amount greater than $25.0 million, and any decision involving an investment or disposal in an aggregate value exceeding 3.0% of the Company's consolidated turnover. Yildirim is entitled to such rights, subject to limited exceptions, until the earlier of (i) the date on which Yildirim's direct or indirect interest in the Company falls below 6.0% (in that case, Yildirim shall cause two of the members of our Board of Directors it appointed to resign) or 3.0% (in that case, Yildirim shall cause the remaining member of our Board of Directors it appointed to resign and shall not have any veto right with regards to the strategic decisions described above) on a fully diluted basis, or (ii) a change of control of Yildirim, or (iv) the date of conversion of our B Preferred Shares into ordinary shares in accordance with their terms (i.e., no later than December 31, 2017).

In connection with the FSI Investment (as defined herein—see "*Management—Corporate Governance*"), FSI, Merit and the Company in the presence of Yildirim Holding entered into the FSI Shareholders' Agreement, pursuant to which, as the holder of the C Preference Share, FSI is entitled to appoint one member and one censor to our Board of Directors. In addition, certain strategic decisions enumerated in the FSI Shareholders' Agreement require, in addition to any requirements imposed by law and our governing documents, the vote of the director appointed by FSI; these decisions include, but are not limited to, the following: approval or modification of the Company's business plan and annual budget, decisions involving financial investment or incurrence of additional indebtedness in an amount greater than $75.0 million, capital increase, capital decrease, merger, spin-off or issuance of securities in an amount greater than $50.0 million distribution of dividends in excess of $100.0 million in a fiscal year, modification of the Company's main business, issuance of guarantees or indemnity in an amount greater than $50.0 million any related party transactions, and any decision involving an investment or disposal for an aggregate value exceeding 3.0% of the Company's consolidated turnover. FSI is entitled to such rights, subject to limited exceptions, until the earlier of (i) an initial public offering of our ordinary shares, or (ii) the date on which FSI's interest in the Company falls below 3.0% on a fully-diluted basis.

Pursuant to the FSI Shareholders' Agreement and the Yildirim Shareholders' Agreement, the board of directors shall be comprised of nine directors (including at least two independent directors) appointed among the candidates proposed by Merit. In addition, Yildirim and FSI, subject to the terms and conditions set forth in the shareholders agreements, as the case may be, shall be entitled to request the appointment of one censor each.

Compensation

The aggregate remuneration in the form of salaries, bonuses and other amounts we paid to the members of our Board of Directors, and to our other key management, was $2.9 million in 2012. There are no options outstanding to purchase shares of the Company.

RELATED PARTY TRANSACTIONS

French Legal Requirements

The French Commercial Code prohibits loans by a *société anonyme* to its General Manager or Deputy General Manager or to a member of its board of directors (except if such member is a legal person), nor may any société anonyme provide overdrafts to these individuals or guarantee their obligations. This prohibition also applies to permanent representatives of companies on the board of directors, spouses, ascendants and descendants of such persons and any third-party acting as an intermediary for a member.

The French Commercial Code and our by-laws require members of the board of directors, the General Manager or Deputy General Manager or shareholders holding more than 10% of the voting rights (or, in the event such shareholder is a company, its controlling shareholder) who are considering, either directly or indirectly, personally or through an intermediary, entering into an agreement with the company (other than one of the prohibited transactions mentioned in the previous paragraph and other than agreements contracted in the ordinary course of business under normal terms) to inform the company's board of directors before the transaction is consummated. French law also requires such an agreement to be authorized by the board of directors with the interested director abstaining from the vote. French law further requires such an agreement to be submitted to an ordinary general meeting for approval once entered into, upon presentation of a special report from the company's auditors who are informed of any interested third-party transaction by the chairman of the board of directors. Any agreement entered into in violation of the prior authorization of the board of directors may be voided by the commercial court at the request of the company or any shareholder, if such agreement has caused damages to the company. In addition, if such an agreement has been authorized by the board of directors but has not been submitted to or approved by the ordinary general meeting, the agreement may not be voided (except in the event of fraud) but the prejudicial consequences to the company of the agreement may be charged to the interested party and, potentially, to the other members of the board of directors. It should be noted also that under the FSI Shareholders' Agreement, the director representing FSI on the company's board of directors has a veto right in respect of related party transactions.

Related Party Transactions

We engage in certain transactions with affiliated entities and affiliated companies. We believe that these transactions are conducted on terms substantially equivalent to those we would have negotiated on an arm's-length basis with third parties Set below is a summary of these transactions since January 1, 2010.

1. In 2011, we issued the Initial Yildirim ORA $500.0 million, and in 2013 we issued the Additional Yildirim ORA $100.0 million pursuant to an investment agreement, dated November 25, 2010, among us, Merit and Yildirim Holding (the "Yildirim Investment Agreement"). The related shareholders agreement, as amended from time to time, and shareholder pledge and guarantee are described under "*Description of Certain Financing Arrangements—Yildirim Investment*."
2. In 2013 we issued the FSI ORA to FSI for $150.0 million pursuant to an investment agreement dated February 6, 2013, among us, Merit and FSI. The related shareholders agreement, shareholder pledge, guarantee and delegation deed are described under "*Description of Certain Financing Arrangements—FSI Investment*."
3. In June 2011, the Company transferred to Merit 51.0% of its shares in CdP for a price of €1. In 2010 and 2011, Merit S.A.L. made available to CdP external financings for vessels up to $118.0 million. The Company granted CdP a loan (via its shareholders' current account) of €155.0 million. Repayment by CdP of the Company's current account was subordinated to the repayment of the financings made available through and guaranteed by Merit S.A.L. In August 2012, Merit and the Company transferred their shares in CdP to Bridgepoint for a price of €1 and the financings made available through Merit S.A.L. were paid in full while the Company's €155.0 million loan was partially waived in an amount of €90.0 million and a new loan of €65.0 million was granted to CdP. This new loan was further amended in early 2013 whereby €25.0 million was repaid and the remaining outstanding amount (€40.0 million) will accrue interest at 5.0% per annum and mature in August 2017.
4. In 2010, we entered into a container leasing contract for $103.0 million with Investment and Financing Corp. Ltd., a subsidiary of Merit S.A.L.
5. In 2011, we entered into a container leasing contract for $103.0 million with Investment and Financing Corp. Ltd., a subsidiary of Merit S.A.L.

6. We formed a company called Global Ship Lease, Inc. ("GSL") and between 2007 and 2008 sold a fleet of 17 vessels to it for a total of $1 billion, which we then chartered from GSL on a long-term basis (with currently remaining lease terms ranging from 7 months to 12 years). In 2008, GSL merged with a special purpose acquisition company and became listed on the New York Stock Exchange. We currently own common shares representing a 45% voting interest in GSL. In addition to the charter arrangements, we also currently manage GSL's fleet and receive management revenues in connection therewith.

7. Since 2004, Merit has been providing outsourcing services regarding revenue control and internal audit support on our behalf. The total amount invoiced for these services in 2012 was €1.6 million.

8. Since 2010, Merit holds a receivable against the Company in an amount of €40.0 million as of December 31, 2011, as of December 31, 2012 and as of September 30, 2013, corresponding to unpaid dividends in respect of the 2006 and 2007 financial years. In September 2012, the Board of Directors of the Company decided that, as from September 2012, the receivable will bear interest at a rate of 7.0% per annum.

9. On June 2011, the Company and Yildirim Holding entered into a transaction pursuant to which a Yildirim group company subscribed to 50.0% of the share capital of MFTL Holding, a company held by Terminal Link, at that time a wholly-owned subsidiary of the Company, in consideration of a payment of €200.0 million, and 100.0% of the share capital of Malta Freeport, which was transferred to MFTL Holding. Pursuant to a shareholders agreement entered between the Company and Yildirim group, Yildirim is entitled to receive a first-rank priority dividend to be paid exclusively in cash of €18.0 million per year in respect of the 2011 to 2022 fiscal years (except for fiscal year 2016, for which it will amount to €20.0 million), which is guaranteed (*caution solidaire*) by the Company. Moreover, the Company issued (i) jointly and severally with Yildirim a guarantee in favor of Malta Freeport Corporation, the conceding authority of the Malta terminals, and the Government of Malta, for the performance by MFTL of its obligations under the license agreement; (ii) jointly and severally with Yildirim a guarantee in favor of Malta Freeport Corporation and the Government of Malta, for the due and punctual performance by Terminal Link of the vendor loan granted by Malta Freeport Corporation to Terminal Link for the purchase of the shares of MFTL in 2004, amounting to €89 million), and (ii) one guarantee in favor of Bank of Valetta, for the repayment of several loans granted by Bank of Valetta to MFTL (outstanding amount of loans guaranteed: €52 million).

PRINCIPAL SHAREHOLDERS

Share Ownership

The corporate share capital of the Company is fixed at €175,000,000. It is divided into 10,578,357 shares in the following categories: (i) 10,578,355 ordinary shares entirely paid up; (ii) one A Preferred Share, entirely paid up; and (iii) one C Preferred Share, entirely paid up.

Our share ownership as of November 7, 2013, was as follows:

Name	Shares
Merit[(1)]	10,400,468 ordinary shares
Farid T. Salem	111,983 ordinary shares
Jacques R. Saadé	65,832 ordinary shares
Naïla Saadé	18 ordinary shares
Rodolphe Saadé	18 ordinary shares
Tanya Saadé Zeenny	18 ordinary shares
Jacques Junior Saadé	18 ordinary shares
Yildirim Asset Management Holding BV	1 A Preferred Share
Bpifrance Participations	1 C Preferred Share

(1) Jacques R. Saadé and the members of his immediate family directly and indirectly through Merit beneficially own approximately 99% of our outstanding share capital.

Yildirim Shareholding

On January 27, 2011, we consummated a transaction pursuant to the Yildirim Investment Agreement, whereby Yildirim AM subscribed 2,644,590 ORA for $500.0 million (the "Yildirim Initial Investment"). In addition to the Yildirim Initial Investment, Merit was granted the option to require Yildirim to make an additional investment in a total amount of up to $250.0 million through the subscription of up to 1,322,295 additional bonds having the same terms as the 2,644,590 initial ORA. Such bonds could be issued and subscribed, at the option of Merit, in one or two tranches, in whole or in part (the "Yildirim Additional Investment" and, together with the Yildirim Initial Investment, the "Yildirim Investment"). Following the exercise by Merit of its option to cause the Yildirim Additional Investment to occur, on January 31, 2013 Yildirim purchased the Additional Yildirim ORA for $100.0 million.

Subject to and in accordance with the terms of the Investment Agreement, the Yildirim ORA will automatically convert into preference shares of the Company (the "B Preferred Shares") on December 31, 2015, which will represent approximately 24% of the Company's capital on a fully diluted basis (assuming the Company maintains its current capital and no adjustments are required to the conversion rate). The B Preferred Shares will be vested with the same rights and obligations as our ordinary shares; provided, however, that the B Preferred Shares will be entitled to a priority dividend paid in euro in cash each fiscal year equal to 12.0% of the nominal value of each ORA. The payment of such priority dividend is guaranteed by Merit. Upon certain specified events and in any event no later than December 31, 2017, the B Preferred Shares will automatically convert into ordinary shares.

In addition, on January 27, 2011, Merit loaned Yildirim AM one preferred share of the Company (the "A Preferred Share"), which entitles Yildirim to certain governance rights as provided in the Yildirim Shareholders' Agreement, in connection with the closing of the Yildirim Investment. Under the Yildirim Shareholders' Agreement, Yildirim is entitled to appoint three members to our Board of Directors. Furthermore, certain strategic decisions enumerated in the Yildirim Shareholders' Agreement and listed in the Board of Directors Internal Regulations require the vote of at least one of the directors appointed by Yildirim other than an independent director. Yildirim is entitled to such rights, subject to limited exceptions, until the earlier of (i) the date on which Yildirim's direct or indirect interest in the Company falls below 6.0% (in that case, Yildirim shall cause two of the members of our Board of Directors it appointed to resign) or 3.0% on a fully diluted basis (in that case, Yildirim shall cause the remaining member of our Board of Directors it appointed to resign and shall no longer have any veto right with regards to certain strategic decisions as described above), (ii) any change of control of Yildirim or (iii) the date of conversion of our B Preferred Shares into ordinary shares in accordance with their terms (*i.e.*, upon the occurrence of certain specified events and in any case by December 31, 2017 at the latest).

The Yildirim Shareholders' Agreement also provides for, among other things: (i) an option by the Company to repurchase and cancel all, and not less than all, of the Yildirim ORA in certain circumstances, (ii) certain restrictions on transfer, including a lock-up period until June 30, 2016 (subject to certain exit transactions), (iii) rights of first refusal and drag-along rights in favor of Merit, (iv) certain tag-along rights and rights of first offer in favor of Yildirim, (v) certain mutual non-compete undertakings, (vi) customary anti-dilution provisions, (vii) financial information reporting obligations, and (viii) certain corporate governance rights.

For additional information, see "*Management—Corporate Governance*" and "*Description of Certain Financing Arrangements—Yildirim Investment*."

Bpifrance Participations Shareholding

On June, 28 2013, we consummated a transaction, pursuant to an investment agreement among us, Merit and FSI, a company incorporated under the laws of France (later renamed Bpifrance Participations), dated February 6, 2013 (the "FSI Investment Agreement"), whereby FSI, an investment vehicle co-owned at the time by the *Caisse des Dépôts,* a public financial institution, and the French State, subscribed the FSI ORA, representing a total investment of $150.0 million (the "FSI Investment").

Subject to and in accordance with the terms of the FSI Investment Agreement, on December 31, 2020, the FSI ORA will automatically convert into ordinary shares of the company that will represent approximately 6% of the Company's capital on a fully diluted basis (assuming the Company maintains its current capital and no adjustments are required to the conversion rate).

In addition, on June 28 2013, Merit loaned FSI one preferred share of the Company (the "C Preferred Share"), which entitles FSI to certain governance rights as provided in the FSI Shareholders' Agreement in connection with the closing of the FSI Investment. Under the FSI Shareholders' Agreement, FSI is entitled to appoint one member and one censor to our Board of Directors. Furthermore, certain strategic decisions enumerated in the FSI Shareholders' Agreement and listed in the Board of Directors Internal Regulations require the vote of the director appointed by FSI. FSI is entitled to such rights, subject to limited exceptions, until the earlier of (i) an initial public offering of our ordinary shares and (ii) the date on which FSI's interest in the Company falls below 3.0% on a fully-diluted basis.

The FSI Shareholders' Agreement also provides for, among other things: (i) a best efforts undertaking by Merit to initiate an IPO prior to June 30, 2015, (ii) specific undertakings by Merit, including not to transfer the Company's management and main corporate functions outside France and not to withdraw the Company from any French ports in a structural, significant and definitive way, (iii) certain put options in favor of FSI, in particular, if the IPO has not occurred by June 30, 2017, (iv) certain restrictions on transfers including a lock-up period until January 1, 2021 (subject to certain exit transactions), rights of first refusal and drag-along rights (including after an IPO) in favor of Merit, (v) certain tag-along rights of offer in favor of FSI and rights of first offer in favor of FSI and Yildirim, (vi) customary anti-dilution provisions, (vi) financial information reporting obligations and (vii) certain corporate governance rights.

For more information, see "*Management—Corporate Governance*" and "*Description of Certain Financing Arrangements—FSI Investment*."

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

*The following is a summary of the terms and conditions of our principal financing arrangements, including the amendments made thereto in connection with the implementation of the Restructuring Principles. As summaries, these descriptions are necessarily incomplete, and do not purport to describe all of the applicable terms and conditions of such arrangements and of the Restructuring Principles. For the terms and conditions of the notes, see "*Description of Notes.*"*

Implementation of the 2012 Restructuring Principles

An unexpectedly challenging year for the shipping industry, 2011 saw the conjunction of significant geopolitical events, a sharp increase in bunker prices and a significant decline in freight rates, which was the result of an aggressive pricing strategy by several major market players. Accordingly, our results of operations and cash flows were negatively impacted. As a result, despite the fact that we had recently completed the implementation of the 2011 Restructuring Principles, with amendments to substantially all of our bank debt agreed upon in January 2011 with a steering committee of the relevant lenders and implemented in substantially all our bank debt and asset financing agreements, the downturn in market conditions forced us to enter into a second round of negotiations with our bank and asset financing lenders to agree to new restructuring principles. Negotiations with our lenders continued through 2012, and in February 2013, we and the steering committee of the relevant creditors agreed the 2012 Restructuring Principles and Guidelines. The 2012 Restructuring Principles subsumed and superseded the 2011 Restructuring Principles in all material respects. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Restructuring of our Capital Structure*."

The 2012 Restructuring Principles were implemented by way of amendments to substantially all of our bank and asset financing arrangements (the "Amendments") that were restructured pursuant to the 2011 Restructuring Principles (the "Restructured Facilities"). All principal amounts (or equivalent rental or other payments), amounts under LTV covenants, interest, default interest, and all fees, commissions, costs and expenses and other amounts payable to creditors under each of the Restructured Facilities were retained under the 2012 Restructuring Principles. Likewise, contractual scheduled payment, repayment and final maturity dates, interest, default interest, fees, commissions costs and expenses under each of the Restructured Facilities (with the exception of the Revolving Credit Facility, as defined and discussed below) were not rescheduled or amended.

In view of the industry's volatility, covenants based on income statement measures (principally EBITDA) were replaced by a combination of minimum cash requirements, a maximum gearing ratio, restrictions on additional long-term chartering capacity and capital expenditures. In addition, the cash flow sweep mechanism contained in the 2011 Restructuring Principles was removed by the Amendments. The Amendments also contemplate that all parties will negotiate in good faith with a view to agreeing the removal or relaxation of certain financial covenants upon implementation of an initial public offering of CMA CGM on any regulated stock exchange in Paris or in a leading stock exchange in Asia, provided that immediately upon implementation of such public offering the free float must be at least equal to 20% of the share capital of CMA CGM (the "IPO"). In addition, our Revolving Credit Facility was refinanced by way of the New Term Loan (as defined below) for a maximum amount of €219.8 million and with a maturity date of December 31, 2015.

We will use a portion of the net proceeds from the offering of the notes to make an early partial prepayment of New Term Loan on the closing date as required by the terms thereof. We will refinance such prepayment and prepay the then outstanding remaining principal amount of the New Term Loan in full as soon as practicable following the closing of the offering using proceeds from the €145.0 million Refinancing Term Loan for which we have received a firm commitment letter from the arrangers named therein together with available cash balances. See "*Use of Proceeds*" and "*Capitalization.*"

The key terms and conditions of the 2012 Restructuring Principles, which are common to each Amendment, are summarized below.

Financial Covenants

Pursuant to the 2012 Restructuring Principles, we modified our financial covenants in an effort to make them more stable despite the industry's volatility, streamline our contractual agreements and harmonize such covenants across the Restructured Facilities.

Gearing Ratio

Testing Date	Gearing Ratio
June 30, 2013	Equal to or below 1.10x
December 31, 2013	Equal to or below 1.00x
June 30, 2014	Equal to or below 1.00x
December 31, 2014	Equal to or below 0.85x
From June 30, 2015	Equal to or below 0.80x

Maximum Capital Expenditure Amount

Annual Period	Maximum Capital Expenditure Amount(1)
January 1 to December 31, 2012	\$366,000,000
January 1 to December 31, 2013	\$553,000,000
January 1 to December 31, 2014(2)	\$526,000,000
January 1 to December 31, 2015(2)	\$698,000,000

(1) The unused balance of the permitted Maximum Capital Expenditure Amount in any annual period may only be carried over to the next annual period.
(2) Such amount may be increased by an amount of \$200.0 million if certain conditions are met.

Long-Term Chartering Capacity

We are subject to the following restrictions on long-term chartering capacity (that is, charters for which the charter agreement has an original charter term commitment of five years or more):

Testing Date	Long-Term Chartering Capacity
December 31, 2012	490,000 TEU
December 31, 2013	539,000 TEU
December 31, 2014	593,000 TEU
December 31, 2015	664,000 TEU

In addition, we agreed that we will only enter into a binding commitment for any long-term chartering in relation to a new-built vessel if, at the time such binding commitment is entered into, the Gearing Ratio is at least 0.05x below the maximum Gearing Ratio applicable at the last testing date.

We have also agreed not to enter into (i) binding commitments for any long-term chartering capacity in relation to new-built vessels in excess of 100,000 TEU per period of six calendar months or (ii) any arrangement in connection with any binding commitment for any long-term chartering in relation to new-built vessels that may give rise to an immediate or a potential cash-out (other than rents payable) in an amount that exceeds 12.5% of the shipyard contract price.

The restrictions with regards to long-term chartering capacity automatically cease to apply at any time as from June 30, 2014 for as long as we satisfy certain requirements as to (i) minimum gearing ratio, (ii) cash balances (higher than \$1.0 billion on the relevant quarterly testing date) and (iii) the outstanding amount under the New Term Loan (representing less than a fixed amount and fully secured).

Group Cash Balance

The group cash balance must be no less than \$400.0 million as of March 31, June 30, September 30 and December 31 in each calendar year.

In lieu of the cash flow sweep mechanism established in the 2011 Restructuring Principles, we agreed to maintain a specific minimum group cash balance, the amount of which depends on our long-term chartering capacity on each testing date (*i.e.*, June 30 and December 31 of each year) until December 31, 2015, as outlined in the table below.

Long-Term Chartering Capacity		**Group Cash Balance**
Greater than or equal to	Lower than	
	500,000 TEU	—
500,000 TEU	550,000 TEU	$500,000,000
550,000 TEU	600,000 TEU	$550,000,000
600,000 TEU		$650,000,000

Specific Undertakings

We also agreed under the terms of the Amendments to specific undertakings.

Undertakings in Relation to the Yildirim Investment

On January 27, 2011, pursuant to the Yildirim Investment Agreement and the Yildirim Shareholders' Agreement, we issued the Initial Yildirim ORA, $500.0 million 12.0% ORA representing 2,644,590 subordinated bonds. On January 31, 2013, we issued the Additional Yildirim ORA, $100.0 million 12.0% ORA representing 528,918 additional bonds mandatorily redeemable in B Preferred Shares (as defined below), to Yildirim AM on terms substantially similar to the Initial Yildirim ORA. For additional information, please see "*—Yildirim Investment*." The issuance of the Additional Yildirim ORA satisfied our undertaking as part of the implementation of the 2012 Restructuring Principles to raise an amount of approximately $100 million in equity or subordinated debt capital by no later than January 31, 2013.

We agreed in the 2012 Restructuring Principles that we cannot repurchase the Yildirim ORA until 2015, and then we may only repurchase them if (i) after January 1, 2015, we are publicly listed on any regulated stock exchange in Paris or in a leading stock exchange in Asia, provided that the free float immediately upon implementation of such public offering be at least equal to 20% of the share capital of CMA CGM, and (ii) such repurchase is exclusively financed from the cash proceeds of an issuance by CMA CGM of securities which are subordinated to all our existing financings.

Undertakings in Relation to the FSI ORA

In satisfaction of one of our undertakings as part of the implementation of the 2012 Restructuring Principles, and pursuant to the FSI Investment Agreement and the FSI Shareholders' Agreement, we issued the FSI ORA, 793,378 12% ORA mandatorily redeemable as ordinary shares of the Company in December 2020, representing an investment of $150.0 million. See "*—FSI Investment*." In addition, we agreed that the FSI ORA remain subordinated to all our existing financings.

Limitations on Distributions

We also agreed to specific restrictions in terms of declaring or making any payment of dividends prior to January 2016, or, if earlier, upon implementation of the IPO, management fees, shareholder loans (including any shareholder loan made available by Merit), return of capital or any similar or equivalent distribution.

Notwithstanding such restrictions, we will be permitted to make semi-annual cash interest payments in an annual aggregate amount of no more than 12.0% per annum in relation to the Yildirim ORA and the FSI ORA, provided that certain conditions are met.

Disposals

We agreed that the CMA CGM group will receive net cash proceeds from asset sales in an amount of no less than $400.0 million by no later than June 30, 2013 through (i) the disposal of 49.0% of the our interest in Terminal Link outside the CMA CGM group and/or (ii) the disposal of vessels or containers. Pursuant to an agreement dated January 25, 2013, we agreed to sell a 49.0% stake in Terminal Link to China Merchants Luxembourg S.à r.l for $528.0 million cash consideration. The sale closed on June 11, 2013 and satisfied this undertaking.

New Events of Default

We agreed to new events of default under the facilities that were amended as part of the 2012 Restructuring Principles, including in relation to the occurrence of a material breach by the Company of the shareholders' agreements or certain other events in relation to the ORA.

Consideration

In addition to the foregoing, to induce our financial creditors to enter into amendments to our financing arrangements and to waive certain defaults or events of default that occurred thereunder, including payment defaults, breach of financial covenants and insolvency proceedings, we agreed to pay specific consent fees to our financial creditors, with no increase in applicable margins.

Vessel Financing Securitization

In 2006, we entered into shipbuilding contracts to purchase twelve 1,700-TEU, 4,400-TEU and 5,100-TEU family container vessels, which were delivered between February 2007 and September 2008. To finance the acquisition of the vessels, we entered into a securitization transaction (the "Vessel Financing Securitization") in February 2006.

Immediately prior to the delivery of each vessel, we assigned each related shipbuilding contract to an Irish-incorporated special purpose company (each, an "Owner"). Upon delivery of each vessel to the relevant Owner, that Owner leased the vessel to us pursuant to a charterparty agreement (each a "Charterparty Agreement"). The acquisition of the vessels by the Owners was funded by drawings under facilities made available by Vega Container Vessel 2006-1 Public Limited Company (the "Securitization Issuer"), a special purpose company, pursuant to facilities agreements (each an "Issuer/Owner Facility Agreement") between, among others, the Securitization Issuer and each Owner.

The Securitization Issuer funded its obligations under each Issuer/Owner Facility Agreement using (i) the proceeds from the issuance of $253.8 million 5.562% Class A Corporate Asset Backed Secured Notes due 2021 (the "Class A Notes") by the Securitization Issuer, (ii) term advances on each vessel delivery date pursuant to a $245.0 million credit facility bearing interest at a fixed rate of 6.4543% per annum (the "Class B Loan") provided by certain financial institutions experienced in the international ship finance market (the "Class B Lenders") and (iii) the proceeds from the issuance of $283.8 million 15% Class C Corporate Asset Backed Secured Notes due 2021 (the "Class C Notes") by the Securitization Issuer on each vessel delivery date, to which we subscribed. The Class A Notes are guaranteed by Syncora Guarantee (UK) Limited (the "Financial Guarantee").

The obligations of the Securitization Issuer in respect of the Class C Notes rank behind the obligations of the Securitization Issuer in respect of the Class A Notes, the Financial Guarantee and the Class B Loan and the obligations of the Securitization Issuer in respect of the Class B Loan rank behind the obligations of the Securitization Issuer in respect of the Class A Notes and the Financial Guarantee The payment priorities governing payments of principal, interest and other amounts due in respect of the Class A Notes, the Financial Guarantee, the Class B Loan and the Class C Notes are set out in an issuer security deed entered into by certain of the vessel financing transaction parties in February 2006. Our security interests in respect of the Class C Notes are also subordinated to those of certain other secured creditors, including the holders of the Class A Notes and the Class B Lenders.

The Securitization Issuer and each Owner assigned their respective rights, title, interest and benefit in, to, and under the transaction documents to which they are party, granted security over certain of their assets (including, in the case of the Securitization Issuer, any transaction accounts), in favor of BNP Paribas Trust Corporation UK Limited, for itself and as trustee for the secured creditors (the "Securitization Trustee"). In addition, each Owner granted a ship mortgage in favor of the Securitization Trustee, for itself and as trustee for the secured creditors.

We have also entered into security agreements with each Owner, pursuant to which we assigned all our rights, title, interest and benefit in, to and under certain insurance policies, shipbuilder warranties and our right to sub-charter vessels, as security for our obligations under the transaction documents.

Upon the occurrence of certain defaults under each Charterparty Agreement, the chartering of the relevant vessel automatically terminates and we, as charterer, are required to make a termination payment. In relation to other defaults, the Class A Notes, the Class B Loan and the Class C Notes become immediately due and payable, and the transaction security enforceable, upon the delivery of an enforcement notice by the Trustee.

Upon the occurrence of certain unscheduled prepayment events, including the total loss of a vessel or the termination of any Charterparty Agreement, amounts owed to the Securitization Issuer by each Owner pursuant to each Issuer/Owner Facility Agreement become immediately due and payable. Under these circumstances the Securitization Issuer is required to apply amounts received by it towards redeeming, or prepaying, as applicable, a portion of the Class A Notes, the Class B Loan and the Class C Notes, in accordance with the payment priorities.

The Vessel Financing Securitization was amended in accordance with the 2011 Restructuring Principles on April 4, 2011, and in accordance with the 2012 Restructuring Principles on February 12, 2013

As of September 30, 2013, the aggregate amount of our obligations outstanding under the Vessel Financing Securitization was $220.2 million.

Senior Notes due 2017 and 2019

On April 21, 2011, we issued $475.0 million principal amount of 8.500% Senior Notes due April 15, 2017 (the "2017 Senior Notes") and €325.0 million principal amount of 8.875% Senior Notes due April 15, 2019 (the "2019 Senior Notes," and together with the 2017 Senior Notes, the "Existing Senior Notes"). Interest under the Existing Senior Notes is payable on them semi-annually on April 15 and October 15 of each year. Prior to April 15, 2014, we may redeem all or part of the 2017 Senior Notes by paying a "make-whole premium." We may redeem all or part of the 2017 Senior Notes at any time on or after April 15, 2014 at specified redemption prices. Prior to April 15, 2015, we may redeem all or part of the 2019 Senior Notes by paying a "make-whole premium." We may redeem all or part of the 2019 Senior Notes at any time on or after April 15, 2015 at the specified redemption prices. In addition, until April 15, 2014, we may redeem up to 35% of the 2019 Senior Notes and up to 35% of the 2017 Senior Notes, in each case, with the proceeds of certain equity offerings at specified redemption prices.

The indenture governing the Existing Senior Notes contains certain covenants with respect to, among others, restrictions on our ability to incur additional debt, create liens on assets to secure debt, make payments, including dividends or other distributions, prepay or redeem subordinated debt or equity, make investments, transfer assets to certain subsidiaries, sell, lease or transfer certain assets, engage in transactions with affiliates, guarantee the debt or certain subsidiaries, designate our subsidiaries as unrestricted subsidiaries and consolidate or merge with or into, or sell or otherwise dispose of all or substantially all our assets to, another person.

Acquisition Financing

Revolving Credit Facility

To finance the acquisition of Delmas, we entered into a renewable multi-currency unsecured €500.0 million term credit facility with a syndicate of banks on February 3, 2006 (the "Revolving Credit Facility"). The Revolving Credit Facility was initially valid for five years and was extended for an additional period of two years for a maximum amount of €450.0 million as from February 3, 2011 and €431.0 million as from February 3, 2012. We refinanced the Revolving Credit Facility, which matured on February 4, 2013, by way of a new amortizing term loan (the "New Term Loan") entered into with a syndicate of banks on February 11, 2013, for a maximum amount of €219.8 million. The New Term Loan expires on December 31, 2015 and contains provisions implementing the 2012 Restructuring Principles.

We pay interest at the EURIBOR rate plus a specified margin and repay principal on a quarterly basis.

In particular, we are required to prepay and cancel the totality of the loan in the event of (i) a change of control or (ii) a redemption of the Yildirim ORA and the FSI ORA under certain conditions or the repurchase of the Yildirim ORA or the FSI ORA, unless such payment is financed on a euro-for-euro basis by a new financing. We are also required to prepay and cancel part of the loan up to (i) 35.0% of the proceeds (net of any transaction fee) of debt raised (capped at €150.0 million) if we raise debt in the capital markets in 2013 and (ii) 25.0% of the proceeds (net of any transaction fee) of debt raised (capped at €100.0 million) if we raise debt in the capital markets in 2014. We expect this payment provision to be triggered by this issuance of the Notes. On February 12, 2013, we prepaid €8.5 million of the loan.

Pursuant to the New Term Loan, we make certain representations, including a representation that no events or circumstances that constitute a default or might have a material adverse effect have occurred. In addition, we are subject to several reporting and financial covenants. Subject to certain limitations, we have agreed not to create or perpetuate any security over any of our assets, and agreed to other restrictive undertakings. We are also subject to positive undertakings regarding insurance and the provision of additional security under certain circumstances.

As of September 30, 2013, the aggregate amount of our obligations outstanding under the New Term Loan was $218.6 million.

Tax Lease Vessel Financing

We and several of our subsidiaries have agreed to lease ships under financing structures designed to take advantage of certain benefits under the tax laws of the United Kingdom and France. These benefits are granted to the lessor of the ships in question but are also in part passed on to us and our subsidiaries that are parties to the relevant lease agreement.

UK Tax Lease Financing (three vessels)

Under a typical UK tax lease financing, our UK-based subsidiary enters into a lease agreement for each vessel with a lessor, which owns such vessel in trust for a limited partnership formed by an investor and a sponsor. The terms of these agreements are generally for a 20-year period, although these agreements may, and are in many cases expected to, terminate earlier upon the exercise of a put-call option.

The lease agreements contain customary representations and warranties related to the transaction. For example, our UK subsidiary agrees to indemnify the lessor for certain taxes and expenses and for the non-payment of certain liabilities related to the transaction. Our UK subsidiary also agrees not to grant any liens or encumbrances over the vessel, provides undertakings as to the use and employment of the vessel and agrees not to merge or consolidate with another party without the lessor's prior written consent.

We currently lease three vessels under three different UK tax lease arrangements that were amended in accordance with the 2011 Restructuring Principles and the 2012 Restructuring Principles. As of September 30, 2013, the aggregate amount of our obligations outstanding under these arrangements was $49.2 million.

French Tax Lease Financing (15 vessels)

Generally, for French tax lease financings, we enter into a lease agreement with a special-purpose vehicle that is owned by a syndicate of investors. The special-purpose vehicle then enters into credit facilities with a syndicate of banks to finance purchase of the vessels. The terms of these lease agreements typically provide for the lease of the vessels for ten to fourteen years, although they may, and in some cases are expected to, terminate a few years earlier pursuant to a call or put-call arrangement.

A component of the payments in respect to such leases is variable and approximates the floating interest rate applicable to amounts owed by the subsidiary under the related credit facilities. As the case may be, we enter into a swap to hedge against our exposure to the variable component of such lease payments. We generally make customary representations and are subject to customary covenants under the lease agreements.

Financing of Three 8,500-TEU Vessels, Two 13,900-TEU Vessels and One 16,000-TEU Vessel

In 2007, we ordered and committed to purchase three 8,500-TEU vessels and three 13,900-TEU vessels. The shipbuilding agreement in relation to one of the three 13,900-TEU vessels was amended to provide for the extension of the TEU capacity of the vessel ("jumboization" or to "jumboize") to a 16,000-TEU vessel delivered in 2012. To finance the purchase of these six vessels, we entered into French tax lease arrangements with special-purpose vehicles to be financed by a consortium of banks in July 2008. Three vessels were delivered in 2010, two vessels were delivered in 2011 and one vessel was delivered in 2012.

The relevant lease arrangements were amended in relation to the delivery of each of the three vessels delivered in 2010. The French lease arrangements were amended in accordance with the 2011 Restructuring Principles and the 2012 Restructuring Principles, although all amendments provide for the maintenance of the cash flow sweep mechanism intended to be eliminated pursuant to the 2012 Restructuring Principles, except for the agreements related to the vessel delivered in 2012.

We make customary representations under such lease arrangements. We are also subject to several standard reporting and financial covenants. Events of default include failure to make timely payment, cancellation of a shipbuilding contract, failure to insure a vessel, cross default, change of control and breach of financial covenants.

As of September 30, 2013, the amount of our obligations outstanding under such lease arrangements was $321.3 million.

Part of the financing of the vessel delivered in 2012 was supplied by a vendor loans granted by the relevant shipyard that built such vessel. Such vendor loan is for a principal amount of $28.0 million, bears interest at a rate of 7.5% *per annum* and matures on December 31, 2013 ($14.0 million) and on the third anniversary of delivery of the vessel to which it relates ($14.0 million).

We make customary representations under such vendor loans and they provide for standard events of default.

Financing of Two 8,500-TEU Vessels and Two 16,000-TEU Vessels.

In 2007, we ordered and committed to purchase two 8,500-TEU vessels and two 13,900-TEU vessels. The shipbuilding agreements in relation to the two 13,900-TEU vessels have since been amended to provide for their jumboization to 16,000-TEU vessels delivered in 2012. One 8,500-TEU vessel was first directly financed by us upon delivery and was then refinanced through a French tax lease arrangement in May 2011. Similarly, to finance the purchase of the three remaining vessels we entered into French tax lease arrangements and financing was arranged by a consortium of banks in April and May 2011. One 8,500-TEU vessel was delivered in 2010 and one 8,500-TEU vessel was delivered in 2011, and the two 16,000-TEU vessels were delivered in 2013.

The relevant French tax lease arrangements included provisions implementing the 2011 Restructuring Principles and were further amended in line with the 2012 Restructuring Principles. We make standard representations under such lease arrangements. We are also subject to several customary reporting and financial covenants. Events of default include non-payment, transfer of the vessel, a material adverse event, cross default, change of control and breach of financial covenants.

As of September 30, 2013, the amount of our obligations outstanding under such lease arrangements was $325.1 million.

Part of the financing of the two vessels delivered in 2013 is supplied by vendor loans granted by the relevant shipyard that built such vessels. Such vendor loans are for a principal amount of $14.0 million per vessel, incur interest at a rate of 7.5% *per annum* and mature on the third anniversary of delivery of each vessel to which they relate. We make customary representations under such vendor loans and they provide for customary events of default.

Financing of Two 13,300-TEU vessels

In 2007, we ordered and committed to purchase two 13,300-TEU vessels. To finance the purchase of these vessels, we entered into French tax lease arrangements in December 2007. Both 13,300-TEU vessels were delivered in 2010.

We make standard representations under such lease arrangements. We are also subject to several customary reporting and financial covenants. Events of default include non-payment, total loss, change of control and breach of financial covenants.

As of September 30, 2013, the amount of our obligations outstanding under such lease arrangements was $178.4 million.

Financing of One 13,300-TEU vessel

In 2007, we ordered and committed to purchase one 13,300-TEU vessel. To finance the purchase of this vessel, we entered into a French tax lease arrangement in November 2009. This 13,300-TEU vessel was delivered in 2009.

This French tax lease arrangement were amended in accordance with the 2011 Restructuring Principles and was amended to implement the 2012 Restructuring Principles. We make standard representations under such lease arrangement. We are also subject to several customary reporting and financial covenants. Events of default include non-payment, total loss, transfer of the vessel, a material adverse event, cross default, change of control and breach of financial covenants.

As of September 30, 2013, the amount of our obligations outstanding under such lease arrangement was $85.4 million.

Financing of Two 6,500-TEU vessels

In 2006, we ordered and committed to purchase two 6500-TEU vessels. To finance the purchase of these vessels, we entered into French tax lease arrangements in March 2011. Both 6,500-TEU vessels were delivered in 2010.

These French tax lease arrangements were amended in accordance with the 2011 Restructuring Principles and was amended to implement the 2012 Restructuring Principles. We make standard representations under such lease arrangements. We are also subject to several customary reporting and financial covenants. Events of default include non-payment, a material adverse event, cross default, change of control and breach of financial covenants.

As of September 30, 2013, the amount of our obligations outstanding under such lease arrangements was $113.1 million.

Significant Ship Mortgaged Loan Financings

Financing of One 8,500-TEU Vessel

In 2008, we entered into a French tax lease arrangement with a special-purpose vehicle to be financed by a consortium of banks to finance the purchase of one 8,500-TEU vessel, which was delivered in 2009.

The French tax lease arrangement included provisions implementing the 2011 Restructuring Principles and was further amended in line with the 2012 Restructuring Principles. The French tax lease was unwound in May 2013 following the exercise of our option to purchase all of the special-purpose vehicle's shares. The vessel is now financed under a US$ mortgage loan granted to the special-purpose vehicle owned by CMA CGM.

We make standard representations under such lease arrangements. We are also subject to several customary reporting and financial covenants. Events of default include non-payment, transfer of the vessel, a material adverse event, cross default and breach of financial covenants.

As of September 30, 2013, the amount of our obligations outstanding under such lease arrangements was $42.2 million.

Financing of Three 11,400-TEU and Five 11,350-TEU Vessels

In 2006, we ordered and committed to purchase three 11,400-TEU and five 11,350-TEU vessels to be delivered in 2009 and 2010. To finance the purchase of these eight vessels, we entered into a $1.113 billion term loan mortgage facility with a consortium of banks in June 2007. Under the agreement, we act as guarantor of eight wholly owned subsidiaries that were set up to purchase each of the eight vessels. Three 11,400-TEU vessels were delivered in 2009 and 2010 and five 11,350-TEU vessels were delivered in 2011.

This facility was amended in accordance with the 2011 Restructuring Principles to reduce the overall commitment of the lenders thereunder to a maximum of $733.0 million and revise the amortization profile to a 12-year full payout profile (*i.e.*, the full amount will be paid gradually over the full term of the loan). The facility was further amended in accordance with the 2012 Restructuring Principles.

Loans under the facility incur interest at a rate of LIBOR plus a specified margin.

We may prepay the whole or any part of any tranche under certain conditions. The mandatory prepayment provisions regarding a relevant portion of the facility include sale or total loss, cancellation of a shipbuilding contract or breach of certain covenants.

We make standard representations under this facility and are also subject to several customary reporting and financial covenants. Events of default include failure to make timely payments, cancellation of a shipbuilding contract, failure to insure a vessel, cross default, change of control and breach of financial covenants.

As of September 30, 2013, the amount of our obligations outstanding under this facility was $556.9 million.

Part of the financing of the vessel delivered in 2010 and of the five vessels delivered in 2011 is also supplied by vendor loans granted by Hyundai Heavy Industries Co., Ltd. as the shipyard that built such vessels. Such vendor loans are for a principal amount of $10.0 million per vessel, bear interest at a rate of 7.5% per annum and mature on the third anniversary of delivery of each vessel to which they relate. We made customary representations under such vendor loans and they provide for standard events of default.

Financing of Four 11,400-TEU Vessels

In 2005, we ordered and committed to purchase four 11,400-TEU vessels to be delivered in 2009. To finance the purchase of these four vessels, we entered into a $544.2 million secured credit facility with a consortium of banks in September 2007. We act as a guarantor of four wholly owned subsidiaries that were established to purchase each of such four vessels. Three vessels were delivered in 2010 and one vessel was delivered in 2011.

This facility was first amended on July 20, 2010 in connection with the delivery of the first three vessels, for which each of our four wholly owned subsidiaries filed conciliation proceedings before the commercial court of Marseilles. The facility was amended again in accordance with the 2011 Restructuring Principles to reduce the overall commitment of the lenders thereunder to a maximum of $309.2 million. The facility was further amended in accordance with the 2012 Restructuring Principles.

The amortizing profile is based on a semi-annual principal constant amortization full-pay out with semi-annual installments with a tenor of twelve years from delivery. Loans under the facility incur interest at a rate of LIBOR plus a specified margin.

We may prepay the whole or any part of any tranche under certain conditions. Prepayment of a relevant portion of the facility becomes mandatory if any vessel is sold or becomes a total loss, any shipbuilding contract is cancelled or if we breach certain covenants.

We make customary representations under this facility. We are also subject to several standard reporting and financial covenants. Events of default include failure to make timely payment, cancellation of a shipbuilding contract, failure to insure a vessel, cross default, change of control and breach of financial covenants. As of September 30, 2013, the amount of our obligations outstanding under this facility was $243.1 million.

Part of the financing of the three vessels delivered in 2010 and of the vessel delivered in 2011 is supplied by vendor loans granted by Hyundai Heavy Industries Co., Ltd., as the shipyard that built such vessels. One remaining vendor loan is for a principal amount of $10.0 million for one vessel and accrues interest at a rate of 7.5%. *per annum* and matures on the third anniversary of delivery of the vessel to which it relates. We made standard representations under such vendor loans, which provide for customary events of default.

Financing of Three 16,000-TEU Vessels

In 2007, we requested that Reederei Claus-Peter Offen jumboize three 12,600-TEU vessels to 16,000-TEU vessels ordered from Samsung Heavy Industries Co., Ltd. Following a disagreement with respect to the jumboization, we, Reederei Claus-Peter Offen and Samsung Heavy Industries Co., Ltd. entered into a settlement agreement on April 4, 2013, containing, among other things, provisions relating to the financing of the purchase of the three vessels. Pursuant to the settlement agreement, we entered into a $50.6 million pre-delivery mortgaged loan facility agreement and a $310.0 million post-delivery mortgaged loan facility agreement (which may be increased up to $360.0 million, subject to certain conditions and to successful syndication). Advances made available under the post-delivery mortgaged loan facility shall first be applied to the repayment of any amount outstanding under the pre-delivery mortgaged loan facility agreement. The three 16,000-TEU vessels are expected to be delivered in 2015. These facilities contain provisions implementing the 2012 Restructuring Principles.

Loans under the facilities incur interest at a rate of LIBOR plus a specified margin.

We may prepay the whole or any part of any tranche under certain conditions. Prepayment of a relevant portion of the facilities becomes mandatory if any vessel is sold or in the event of the total loss of a vessel.

We make customary representations under this facility, including a representation that no event of default has occurred. We are also subject to several standard reporting and financial covenants. Events of default include failure to make timely payment, material adverse change and breach of financial covenants.

As of September 30, 2013, the amount of our obligations outstanding under the pre-delivery mortgaged loan facility agreement was $43.5 million.

Refinancing of two 11,000-TEU vessels

In 2008, we entered into French tax lease arrangements with special-purpose vehicles to be financed by a consortium of banks to finance the purchase of two 11,000-TEU two vessels.

In connection with the refinancing of the Revolving Credit Facility, certain lenders agreed in January 2013 to unwind the tax lease structure and refinance the vessels through two distinct mortgaged facility loans of approximately $81 million each, increasing their commitments under these vessels to include their commitments under the Revolving Credit Facility.

The facilities, which mature in 2020, consist of a junior tranche of up to $39.0 million and a senior tranche of up to $42.0 million. Loans under the facilities incur interest at a rate of LIBOR plus a specified margin.

We may prepay the whole or any part of any loan, subject to certain conditions. We may not reborrow any part of the facilities that has been prepaid.

We make standard representations under these facilities, which provide for customary events of default and acceleration provisions. In addition, we are subject to several reporting and other covenants relating to the vessels and other general undertakings.

As of September 30, 2013, the amount of our obligations outstanding under these facilities was $150.0 million.

Refinancing of one 8,500-TEU vessel

We refinanced one 8,500-TEU vessel delivered in 2004, by means of a $33.4 million mortgaged loan facility entered into on June 28, 2013 that contains provisions implementing the 2012 Restructuring Principles.

Loans under the facility incur interest at a rate of LIBOR plus a specified margin.

We may prepay the whole or any part of any loan, subject to certain conditions. We may not reborrow any part of the facility that has been prepaid. Prepayment of a relevant portion of the facility becomes mandatory if any vessel is sold or in the event of the total loss of the vessel.

We make customary representations under this facility, including a representation that no event of default has occurred. In addition, we are subject to several reporting and financial covenants.

As of September 30, 2013, the amount of our obligations outstanding under this facility was $31.9 million.

Refinancing of Four 8,500-TEU Vessels and Four 9,500 TEU Vessels

In 2003, we ordered and committed to purchase four 8,500-TEU vessels and four 9,500-TEU. To finance the purchase of each of these eight vessels, we entered into French tax leases arrangements in December 2004. Two 8,500-TEU vessels were delivered in 2005 and two 8,500-TEU vessels in 2006. Four 9,500-TEU vessels were delivered in 2006.

Between 2011 and 2012, we have exercised our option to purchase each of these vessels, which are since financed through mortgaged loan facilities.

These facilities were amended in accordance with the 2011 Restructuring and were further amended in accordance with the 2012 Restructuring Principles.

Loans under the facilities incur interest at a rate of LIBOR plus a specified margin.

We may prepay the whole or any part of any tranche under certain conditions. Prepayment of a relevant portion of the facility becomes mandatory if any vessel is sold or becomes a total loss or we breach certain covenants. We may not reborrow any prepaid sums.

We make standard representations under this facility and are also subject to several customary reporting and financial covenants. Events of default include failure to make timely payments, material adverse change and sale of the relevant ship.

As of September 30, 2013, the amount of our obligations outstanding under this facility was $230.1 million.

Securitization of Receivables

In December 2008, we, as centralizing agent, and our wholly owned subsidiaries CMA CGM Antilles-Guyane, Delmas and MacAndrews (together with us, the “Securitization Sellers”) entered into a framework agreement with several financial institutions (the “Receivables Securitization Program”), which is valid until September 2015.Under this agreement, certain receivables of the Securitization Sellers, based on their currency in predefined jurisdictions, were securitized up to an amount of €130.0 million, which may be increased to €420.0 million subject to satisfaction of certain conditions and further agreement by the parties. The securitization financing level was further increased up to €230.0 million in September 2009, then up to €281.0 million in May 2012 and up to €340.0 million in July 2013.

Under the Receivables Securitization Program, the receivables were assigned to a compartment of a securitization mutual fund (the “Compartment”) managed by *Gestion et Titrisation Internationales*. The Securitization Sellers, acting themselves or through eligible agents, remained responsible for the collection of the receivables on behalf of the Compartment.

The securitization agreements were amended on February 1, 2011, although such amendments explicitly specified that the securitization program was not subject to the 2011 Restructuring Principles. The financial covenants under the securitization agreements were further amended on May 23, 2013, however, in accordance with the 2012 Restructuring Principles.

In addition to the above program, we entered into a new program dated October 2013 by which we, acting as centralizing agent and Originator (as defined below), and CMA CGM & ANL Securities B.V., a special-purpose vehicle (the “New Securitization Issuer”) entered into a set of agreements (the “New Securitization Program”) with financial institutions for a financing amount of $200.0 million, which can be further increased to $800.0 million upon the addition of new investors and subject a satisfaction of certain conditions. Under the New Securitization Program, certain receivables of the Securitization Sellers were securitized up to an amount of $200.0 million and paid to us. Further increases will first contribute to replace Receivables Securitization Program. Pursuant to sale agreements, certain of our and our subsidiaries’ receivables (CMA CGM, CMA CGM Antilles-Guyane, ANL Container Line Pty Limited, Mac Andrews & Company Limited and ANL Singapore Pte. Limited) are assigned to the New Securitization Issuer. The New Securitization Seller then grants security interest over the transferred receivables. We, acting by ourselves or through eligible agents, remain responsible for the collection of the receivables on behalf of the financial institutions participating in the New Securitization Program. The New Securitization Program does not contain provisions implementing the 2012 Restructuring Principles.

Monthly interest payments by the New Securitization Issuer are calculated according to specific formula. The New Receivables Securitization Program is guaranteed by a performance guarantee granted by us and secured by pledges of bank accounts of the New Securitization Issuer. The New Receivables Securitization Program will mature on October 24, 2017 and can be extended for another three years as from April 2015 under certain conditions.

We make representations and warranties, as well as informational and other undertakings customary for a transaction of this nature, including not to carry on our business in a manner that would prejudice the quality of our receivables or the ability to collect our receivables.

Container Financing

Lease Financing

We entered into a number of financial lease agreements to finance the acquisition of containers, 23 as of September 30, 2013. Typically we have the option to purchase the containers at the end of the lease period for a nominal sum.

As of September 30, 2013, the aggregate amount of our obligations outstanding under such leases was $104.0 million.

Most of these leasing agreements contain representations and warranties, which are in each case standard for this type of transaction. In a few cases, we are also subject to customary informational and other covenants. We are generally liable to and indemnify the lessor for any damage to the containers during the period of the lease, and are responsible for the full value of the containers if they are declared a total loss. We are typically insured against such risks. These agreements are subject to customary events of default.

Senior Secured Loan Facility

To finance the acquisition of containers, we entered into a $490.0 million facility in 2007. This facility was amended in accordance with the 2011 Restructuring Principles and further amended in accordance with the 2012 Restructuring Principles.

The facility consists of Facility A of up to $150.0 million and Facility B of up to $340.0 million. Under the facility agreement, the funds drawn must be used exclusively for the purchase of containers.

The amortizing profile is based on a semi-annual principal constant amortization and the facility matures in February 2017.

Loans under the facility incur interest at a rate of the USD Commercial Interest Reference Rate for loans under Facility A and LIBOR for loans under Facility B, and in both cases, plus a specified margin.

We may cancel the whole or any part of the facility, and we may prepay the whole or any part of any loan under certain conditions. We may not reborrow any part of the facility that has been prepaid and cancelled.

Under this facility, we make customary representations, including a representation that no event of default has occurred and that we know of no events or circumstances that constitute a default or might have a material adverse effect. In addition, we are subject to several standard reporting and financial covenants.

As of September 30, 2013, the aggregate amount of our obligations outstanding under this facility was $180.1 million.

Real Estate Financing

Real Estate Projects/Tower

We relocated our headquarters to a newly constructed office building in 2011. In December 2006, we entered into a €200.0 million secured term facility with a consortium of banks to finance the construction of this building. We initially borrowed all monies thereunder. However, we substituted our subsidiary, SCI Tour d'Arenc, as borrower under this facility pursuant to a substitution agreement entered into on November 9, 2010. We are therefore released from our obligations under this financing to the extent SCI Tour d'Arenc does not become insolvent.

The amortizing profile is based on a quarterly principal constant amortization and matures in December 2026.

The loans under the facility incur interest at a rate of EURIBOR plus a specified margin.

We may cancel the whole or any part of the facility, and we may prepay the whole or any part of any loan under certain conditions. We may not reborrow any part of the facility that has been prepaid and cancelled.

Under this facility, we make customary representations, including a representation that no event of default has occurred and we know of no events or circumstances that constitute a default or might have a material adverse effect. In addition, we are subject to several reporting and financial covenants.

As of September 30, 2013, the aggregate amount of our obligations outstanding under this facility was $223.7 million.

Yildirim Investment

On January 27, 2011, we issued the Initial Yildirim ORA, $500.0 million ORA representing 2,644,590 subordinated bonds, in accordance with the Yildirim Investment Agreement and the Yildirim Shareholders'

Agreement. In addition to the Yildirim Initial Investment, pursuant to the Yildirim Investment Agreement, Merit was granted the option to require Yildirim to make an additional investment in a total amount of up to a maximum of $250.0 million through the subscription of 1,322,295 additional bonds having the same terms as the Initial Yildirim ORA. Such bonds could be issued and subscribed, at the option of Merit, in one or two tranches, in whole or in part. Accordingly, on January 31, 2013, Yildirim invested $100.0 million to subscribe to the Additional Yildirim ORA. 528,918 additional bonds redeemable as B Preferred Shares, with the same terms as the Initial Yildirim ORA.

The Yildirim ORA bear interest at a rate of 12.0% per annum, payable in cash semi-annually on June 30 and December 31 of each calendar year. The Yildirim ORA and the related interest coupons are subordinated obligations of the Company, subordinated in right of payment to all existing and future financial indebtedness, whether such financial indebtedness is secured, unsecured, subordinated or unsubordinated, and whether or not any such financial indebtedness is due and payable at the time. The Yildirim ORA rank at least *pari passu* to the rights of all other existing or future equity securities of the Company.

Under certain circumstances, we may repurchase the Yildirim ORA until December 31, 2015. Our ability to exercise this right to repurchase the Yildirim ORA is restricted under our financing arrangements (see "*—Implementation of the Restructuring Principles—Undertakings in Relation to the Yildirim Investment*"), including the Indenture for the Notes offered hereby (see "*Description of Notes—Certain Covenants—Limitation on Restricted Payments*").

We did not grant Yildirim any guarantee or security in connection with the issuance of the Yildirim ORA. However, Merit, our principal shareholder, granted Yildirim as security: (i) a pledge of 1,057,837 of our ordinary shares (which, as of the date hereof, represents approximately 10.0% of our capital and voting rights), which shall lapse on January 1, 2014 and is intended to secure up to $150.0 million that may become due in connection with any accelerated cash repayment of the Yildirim ORA (as discussed below), and (ii) a joint guarantee (*cautionnement solidaire*) to secure the payment of the interest accrued on the Yildirim ORA, which lapsed on June 30, 2013.

Yildirim may require us to redeem the Yildirim ORA for the principal amount thereof plus any accrued and unpaid interest, subject to a limited right of set-off in connection with any indemnification obligations under the Yildirim Investment Agreement, in the event of (i) a material breach by us of the Yildirim Shareholders' Agreement, which remains uncured for 30 business days following notice thereof, (ii) failure to pay any interest due on the Yildirim ORA within 60 business days that remains uncured for 30 business days after notice thereof, or (iii) commencement of liquidation proceedings pursuant to Articles L.640-1 *et seq*. of the French Commercial Code. The terms and conditions of the Yildirim ORA provide that such a cash redemption constitutes a subordinated obligation and is subordinated in right of payment to all existing and future financial indebtedness, whether such financial indebtedness is secured, unsecured, subordinated or unsubordinated, and whether or not any such financial indebtedness is due and payable at the time.

The Yildirim ORA will automatically convert into newly-issued preferred shares of the Company (the "B Preferred Shares") at a conversion rate of 1.142856819 B Preferred Shares per Yildirim ORA, subject to any applicable adjustments in accordance with Article L.228-99 of the French Commercial Code, (i) upon maturity (*i.e.*, December 31, 2015), (ii) in the event of an IPO or (iii) if Merit exercises certain of its rights of its call options under the Yildirim Shareholders' Agreement. B Preferred Shares carry the same rights as ordinary shares plus a guaranteed 12.0% annual dividend and will convert to ordinary shares under certain circumstances and in any case at the latest on December 31, 2017 (all as more fully described in "*Principal Shareholders—Yildirim Shareholding*").

Yildirim AM is currently the holder of Yildirim 3,173,508 ORA. Upon conversion, the Yildirim ORA will represent 3,626,864 ordinary shares of the Company, which will amount to approximately 24.0% of the Company's share capital on a fully-diluted basis.

In the case of an IPO, the Yildirim ORA shall be automatically redeemed in B Preferred Shares, which shares shall be automatically converted into ordinary shares immediately prior to such initial public offering and listing.

Executed in connection with the Yildirim Investment Agreement, the Yildirim Shareholders' Agreement provides for, among other things: (i) an option by the Company to repurchase the Yildirim ORA under certain circumstances, as outlined in the 2012 Restructuring Principles and described above, (ii) certain restrictions on transfer, including a lock-up period until June 30, 2016 (subject to certain exit transactions), rights of first refusal, drag-along rights and call options in certain circumstances in favor of Merit, (iii) certain tag-along rights and rights of first offer in favor of Yildirim, (iv) certain mutual non-compete undertakings, (v) customary anti-dilution provisions, (vi) financial information reporting obligations and (vii) certain corporate governance rights (see "*Management—Corporate Governance*").

Pursuant to the FSI Investment Agreement, the Yildirim Shareholders' Agreement was amended on June 28, 2013 to include new corporate governance rights for the benefit of Yildirim and new corporate governance rules consistent with the FSI Shareholders' Agreement.

For more information, see "*Management—Corporate Governance*" and "*Principal Shareholders*."

FSI Investment

On June 28, 2013, we issued the FSI ORA (representing 793,378 subordinated bonds), pursuant to the FSI Investment Agreement, representing an investment by FSI (later renamed Bpifrance Participations) of $150.0 million.

The FSI ORA bear interest at a rate of 12.0% per annum, which is paid in cash semi-annually on June 30 and December 31 of each calendar year. The FSI ORA and the related interest coupons are subordinated obligations of the Company, subordinated in right of payment to all existing and future financial indebtedness, whether such financial indebtedness is secured, unsecured, subordinated or unsubordinated, and whether or not any such financial indebtedness is due and payable at the time. The FSI ORA rank at least *pari passu* to the rights of all other existing or future equity securities of the Company, including the Yildirim ORA.

We did not grant FSI any guarantee or security in connection with the issuance of the FSI ORA. However, Merit, our principal shareholder, granted FSI as security: (i) a pledge of 317,351 of our ordinary shares (which, as of December 31, 2012, represented approximately 3.0% of our capital and voting rights), which expires on January 1, 2016 and is intended to secure up to $45.0 million that may become due in connection with any accelerated cash repayment of the FSI ORA (as discussed below), and (ii) a joint guarantee (*cautionnement solidaire*) intended to secure the payment of the interest accrued on the FSI ORA from June 28, 2013 through June 30, 2015.

FSI may require us to redeem the FSI ORA for the principal amount thereof plus any accrued and unpaid interest, subject to a limited right of set-off in connection with any indemnification obligations under the FSI Investment Agreement in certain circumstances, in the event of (i) a material breach by us of the FSI Shareholders' Agreement that remains uncured for 30 business days following notice thereof, (ii) failure to pay any interest due on the ORA within 60 business days that remains uncured for 30 business days after notice thereof, or (iii) commencement of liquidation proceedings pursuant to Articles L.640-1 et seq. of the French Commercial Code. The terms and conditions of the FSI ORA provide that such a cash redemption constitutes a subordinated obligation and is subordinated in right of payment to all existing and future financial indebtedness, whether such financial indebtedness is secured, unsecured, subordinated or unsubordinated, and whether or not any such financial indebtedness is due and payable at the time.

On December 31, 2020, or in the event of an IPO, the FSI ORA will automatically convert into newly issued ordinary shares of the Company at a conversion rate of 1.42856819 ordinary share per the FSI ORA, subject to any applicable adjustments in accordance with Article L.228-99 of the French Commercial Code. Upon conversion, the FSI ORA will represent 906,717 ordinary shares of the Company, which amounts to approximately 6% of the Company's capital on a fully diluted basis.

Executed in connection with the FSI Investment Agreement, the FSI Shareholders' Agreement provides, among other things, for: (i) a best-efforts undertaking by Merit to initiate an IPO process prior to June 30, 2015, (ii) specific undertakings by Merit, including not to transfer the Company's management and main corporate functions outside France and not to withdraw the Company from any French ports in a structural, significant and definitive way, (iii) certain put options in favor of FSI, in particular, if the IPO has not occurred by June 30, 2017, (iv) certain restrictions on transfers including a lock-up period until January 1, 2021 (subject to certain exit transactions), rights of first refusal and drag-along rights (including after an IPO) in favor of Merit, (v) certain tag-along rights of offer in favor of FSI and rights of first offer in favor of FSI and Yildirim, (v) customary anti-dilution provisions, (vi) financial information reporting obligations, and (vii) certain corporate governance rights.

Pursuant to the FSI Investment Agreement, Merit has undertaken to lend to FSI one of our ordinary shares that was converted into a C Preference Share on June 28, 2013 (the "Share Loan Agreement"). The Share Loan Agreement shall automatically terminate if FSI ceases to hold any of our securities.

For more information, see "*Management—Corporate Governance*" and "*Principal Shareholders*."

Instrument	***Obligations Remboursables en Actions (ORA)***		
	YILDIRIM		**FSI**
	INITIAL	ADDITIONAL	
Date of Subscription	January 27, 2011	January 31, 2013	June 28, 2013
Number of ORA	2,644,590	528,918	793,378
Nominal Value per ORA	$189.065		$189.065
Total Nominal Value	$500.0 million	$100.0 million	$150.0 million
Interest Rate	12% per annum		12% per annum
Maturity Date	December 31, 2015		December 31, 2020
Redemption Ratio	1.142856819 B Preferred Shares for 1 ORA		1.142856819 ordinary shares for 1 ORA
Number of Potential Ordinary Shares	3,022,387	604,477	906,717
Share Capital After Conversion (on a fully-diluted basis)	20%	4%	6%

DESCRIPTION OF NOTES

The definitions of certain terms used in this description are set forth under the sub-heading "*—Certain Definitions*." In this "*Description of Notes*," the words "we," "ours," "our," "our company," "Issuer," "Company" or "us" refer only to CMA CGM S.A. and not our Subsidiaries, except for the purpose of financial data determined on a consolidated basis. In addition, all references to "Notes" include "book-entry interests" in the Notes.

We will issue, on the basis described below, €300.0 million aggregate principal amount of senior notes due 2018 (the "Notes") under an indenture dated as of December 16, 2013 (the "Indenture") between us and The Bank of New York Mellon, London Branch as trustee (the "Trustee"). The terms of the Notes include those expressly set forth in the applicable Indenture.

The following description is a summary of the material terms of the Indenture. It does not, however, restate the Indenture in their entirety, and where reference is made to particular provisions of the Indenture, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of the Notes and the applicable Indenture. We urge you to read the applicable Indenture because it contains additional information and because it and not this description defines your rights as a holder of the Notes. A copy of the form of the applicable Indenture may be obtained by requesting it from us at the address indicated under "*General Information*."

We have applied for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange. We can provide no assurance that this application will be accepted. If and for so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, we will maintain a paying or transfer agent in Luxembourg. See "*—Payments on the Notes; Paying Agent*."

General

The Notes

The Notes are our general unsecured obligations.

Principal, Maturity and Interest

We will issue €300.0 million aggregate principal amount of Notes in this offering. Subject to our compliance with the covenant described under "*—Certain Covenants—Limitation on Debt*," we are permitted to issue additional Notes under the Indenture (the "Additional Notes"), from time to time. The Notes and any Additional Notes that are actually issued will be treated as a single class for all purposes of the Indenture, including waivers, amendments, redemptions and offers to purchase; *provided* that, for U.S. federal income tax purposes, the Additional Notes either (i) are issued with no more than a *de minimis* amount of original issue discount or (ii) are issued in a qualified reopening. Unless the context otherwise requires, references to the "Notes" for all purposes of the Indenture and in this "*Description of Notes*" include references to any Additional Notes that we actually issue. The Notes will mature on December 15, 2018.

The Notes will bear interest at the rate of 8.75% per annum from December 16, 2013 or from the most recent interest payment date on which interest has been paid or provided for, whichever is the later. Interest will be payable semi-annually on each Note on June 15 and December 15 of each year, commencing on June 15, 2014. We will pay interest on each Note in respect of the principal amount thereof outstanding as of the immediately preceding June 1 or December 1, as the case may be. We will compute interest on the basis of a 360-day year comprised of twelve 30-day months and will pay interest on overdue principal and, to the extent permitted by law, on other overdue amounts at the same rate.

The Notes may be redeemed prior to maturity as described under "*—Optional Redemption*."

Regulation S prohibits distributors of Notes under Regulation S from offering, selling or delivering the Notes until 40 days after the later of (i) the date of the commencement of the offering or (ii) the original issue date of the Notes within the United States to or for the account or benefit of U.S. persons (such 40-day period being called the "Distribution Compliance Period"). Until the expiration of the Distribution Compliance Period, beneficial interests in the Regulation S Global Notes may only be held transferred to a person that takes delivery through the Restricted Global Note in accordance with certain certification requirements.

Form of Notes

The Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act ("Rule 144A") will initially be represented by a Global Note in registered form without interest coupons attached (the "Restricted Global Notes"). The Restricted Global Note will be deposited, on the closing date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

The Notes sold outside the United States pursuant to Regulation S under the Securities Act ("Regulation S") will initially be represented by a Global Note in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the Restricted Global Notes, the "Global Notes"). The Regulation S Global Note will be deposited, on the closing date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

The Notes will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Transfer and Exchange

All transfers of book-entry interests between participants in Euroclear or Clearstream Banking will be effected by Euroclear or Clearstream Banking pursuant to customary procedures and subject to applicable rules and procedures established by Euroclear or Clearstream Banking and their respective participants. See "*Book-Entry; Delivery and Form.*"

The Notes will be subject to certain restrictions on transfer and certification requirements, as described under "*Notice to Investors*."

Payments on the Notes; Paying Agent

We will make all payments, including principal of, premium, if any, and Additional Amounts and interest on, the Notes through a principal paying agent in London that we will maintain for these purposes. Initially that principal paying agent will be The Bank of New York Mellon, London Branch and, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, we will maintain a paying agent in Luxembourg (each a "Paying Agent"). The Bank of New York Mellon (Luxembourg) S.A. will initially act as Paying Agent in Luxembourg. In addition, we or any of our Subsidiaries may act as Paying Agent in connection with the Notes other than for the purposes of effecting a redemption described under "*—Optional Redemption*" or an offer to purchase the Notes described under "*—Purchase of Notes upon a Change of Control*." We will make all payments in same-day funds.

No service charge will be made for any registration of transfer, exchange or redemption of the Notes, but we may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange.

Ranking

The Notes will be our unsecured and unsubordinated obligations and will:

(a) rank senior in right of payment to all of our existing and future debt and obligations that are, by their terms, expressly subordinated in right of payment to the Notes;

(b) rank equally in right of payment to all of our existing and future debt and obligations that are not, by their terms, expressly subordinated in right of payment to the Notes;

(c) be effectively subordinated in right of payment to all of our existing and future secured indebtedness to the extent of the value of the assets securing such debt, as described under "*Risk Factors—Risks Relating to the Notes, the Offering and Other Financings—The Notes will be unsecured obligations, and will be effectively subordinated to our secured indebtedness*;" and

(d) be structurally subordinated to all existing and future debt and obligations of our Subsidiaries, as described under "*Risk Factors—Risks Relating to the Notes, the Offering and Other Financings—Your right to receive payments under the Notes will be structurally or effectively subordinated to claims of existing and future creditors of our subsidiaries*."

In the Indenture, the Trustee will acknowledge that pursuant to clauses 3 (Rank of the ORA) and 5 (Redemption) of the ORA and in accordance with Article 1121 of the French *Code Civil*, the holders of the ORA agree that, in accordance with the terms of the ORA, the ORA and the related interest coupons constitute subordinated obligations of the Company, ranking junior in right of all indebtedness of the Company existing on the date the ORA was issued by the Company and to any future indebtedness of the Company, including the Notes.

As of September 30, 2013, on a *pro forma* basis after giving effect to the issuance of the Notes and the application of the net proceeds therefrom as described herein under "*Use of Proceeds*:"

(a) on an unconsolidated basis, we would have had total indebtedness of $3,786.2 million; and

(b) on a combined basis, our Subsidiaries would have had total indebtedness of $1,940.6 million.

See "*Capitalization" and "Description of Certain Financing Arrangements*."

Although the Indenture contains limitations on the amount of additional Debt that we and our Restricted Subsidiaries may Incur, the amount of such additional Debt could be substantial, and some of our additional Debt and the additional Debt of our Restricted Subsidiaries could be secured.

Additional Amounts

All payments that we or our agents make under or with respect to the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and any other liability with respect thereto) of whatever nature (collectively, "Taxes") imposed or levied by or on behalf of (1) the French Republic (*République Française*), (2) any other jurisdiction in which we, or any Surviving Entity are organized or resident or doing business or otherwise considered to be a resident for tax purposes, (3) any jurisdiction from or through which a payment on the Notes is made by us or by our agents, (4) or any political subdivision or governmental authority of any of the foregoing having the power to tax (each a "Relevant Taxing Jurisdiction"), unless we or our agents are required to withhold or deduct Taxes by law. If we or our agents are required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Notes, we or our agents will pay additional amounts ("Additional Amounts") as may be necessary to ensure that the net amount received by each holder or beneficial owner of the Notes after such withholding or deduction (including any withholding or deduction in respect of any Additional Amounts) will not be less than the amount the holder or beneficial owner would have received if such Taxes had not been withheld or deducted.

We will not, however, pay Additional Amounts to a holder or beneficial owner of Notes in respect or on account of:

(a) Taxes that are imposed or levied by a Relevant Taxing Jurisdiction solely by reason of the existence of any present or former connection between such holder or beneficial owner of the Notes, (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, such holder or beneficial owner, if the relevant holder or beneficial owner is an estate, trust, partnership, limited liability company or corporation), and such Relevant Taxing Jurisdiction, including such holder or beneficial owner being or having been a citizen, domiciliary or resident thereof or being or having been engaged in trade or business therein or having or having had a permanent establishment or dependent agent therein, but excluding, in each case, any connection arising solely from the mere acquisition, receipt, holding, ownership or disposition of Notes or by reason of the receipt of payments thereunder or the exercise or enforcement of rights under the Notes or the Indenture);

(b) Taxes to the extent that such Taxes are imposed or levied by reason of the failure of such holder or beneficial owner of Notes, prior to the relevant date on which a payment under and with respect to the Notes is due and payable (the "Relevant Payment Date") to comply with our written request addressed to such holder or beneficial owner, as the case may be, at least 30 calendar days prior to the Relevant Payment Date to provide accurate information with respect to any certification, identification, information or other reporting requirements that such holder or such beneficial owner is legally required to satisfy, whether imposed by statute, treaty, regulation or administrative practice, in each such case by the Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that such holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);

(c) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(d) any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to the Notes;

(e) Taxes imposed on or with respect to any payment by us to the holder if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such Note to the extent that Taxes would not have been imposed on such holder had such holder been the sole beneficial owner of such Note;

(f) Taxes to the extent that such Taxes are imposed or levied by reason of the failure of such holder or beneficial owner to present (where presentation is required) its Note within 30 calendar days after we have made available to such holder or beneficial owner a payment under the Notes and the Indenture (excluding any Additional Amounts to which such holder or beneficial owner would have been entitled had its Notes been presented on any day within such 30 calendar day period);

(g) any Tax that is imposed on or with respect to a payment made to a holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Notes to another paying agent in a member state of the European Union (unless by reason of our actions or those of our agents, presentation could not have been made elsewhere);

(h) any such withholding or deduction in respect of any Taxes imposed on a payment to or for the benefit of an individual that is required to be made pursuant to any EU Directive implementing the conclusions of the ECOFIN Council meeting of November 26–27, 2000 (including, but not limited to, the EU Directive No. 2003/48/EC dated June 3, 2003) or any law implementing or complying with, or introduced in order to conform to, any such Directive; or

(i) any such withholding or deduction in respect of any Taxes imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (including any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code), U.S. Treasury regulations thereunder, or any intergovernmental agreement entered into in connection with the implementation of such Sections.

We will also (i) make such withholding or deduction compelled by applicable law and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if we will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), we will deliver to the Trustee an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Trustee, at our direction, to pay such Additional Amounts to holders on the payment date. We will promptly publish a notice in accordance with the provisions set forth in "*—Notices*" stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

In addition, we will pay any present or future stamp, issue, registration, transfer, court, documentation, excise or property Taxes or other similar Taxes, charges and duties, including interest and penalties with respect thereto, imposed by any Relevant Taxing Jurisdiction in respect of the execution, delivery, performance or registration of the Notes, the initial resale of the Notes by the initial purchases, or any other document or instrument referred to thereunder and any such Taxes, charges or duties imposed by any jurisdiction as a result of, or in connection with, the enforcement of the Notes or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes, and we agree to indemnify the holders, beneficial owners and the Trustee for any such Taxes paid by such holder, beneficial owner or Trustee, as the case may be.

Upon written request, we will furnish to the Trustee or a holder within a reasonable time certified copies of tax receipts evidencing the payment by us of any Taxes imposed or levied by a Relevant Taxing Jurisdiction, in accordance with the procedures described in "—Selection and Notice" hereafter, in such form as provided in the normal course by the taxing authority imposing such Taxes and as is reasonably available to us. If, notwithstanding our efforts to obtain such receipts, the same are not obtainable, we will provide the Trustee or such holder with other evidence reasonably satisfactory to the Trustee or holder of such payments by us.

Whenever the Indenture or this "Description of Notes" refers to, in any context, the payment of principal, premium, interest, if any, or any other amount payable under or with respect to any Note, such reference includes the payment of Additional Amounts, if applicable.

The preceding provisions will survive any termination, defeasance or discharge of the Indenture and shall apply *mutatis mutandis* to any jurisdiction in which any Guarantor or successor person to us, our agents or any Guarantor is incorporated, resident or doing business for tax purposes or any jurisdiction from or through which such person makes any payment on the Notes (or any Guarantee) and any political subdivision or taxing authority or agency thereof or therein.

Optional Redemption

Optional Redemption prior to December 15, 2015 upon Equity Offering

At any time prior to December 15, 2015, upon not less than 30 nor more than 60 days' notice to the holders of the Notes, we may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes at a redemption price of 108.750% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to the redemption date, with the net proceeds received by us from one or more Equity Offerings. We may only do this, however, if:

(a) at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (including any Additional Notes) remains outstanding immediately after the proposed redemption; and

(b) the redemption occurs within 90 days after the closing of the Equity Offering.

Optional Redemption of Notes prior to December 15, 2015

At any time prior to December 15, 2015, we may also redeem all or part of the Notes, upon not less than 30 nor more than 60 days' notice to the holders of the Notes, at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium of the Notes and accrued and unpaid interest to the redemption date.

"Applicable Redemption Premium of the Notes" means, with respect to any Note on any redemption date, the greater of:

(a) 1.0% of the principal amount of the Note; and

(b) the excess of:

  (i) the present value at such redemption date of the redemption price of such Note at December 15, 2015, plus all required interest payments that would otherwise be due to be paid on such Note during the period from the redemption date to December 15, 2015 excluding accrued but unpaid interest, computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

  (ii) the principal amount of the Note.

Optional Redemption of Notes after December 15, 2015

At any time on or after December 15, 2015 and prior to maturity, we may redeem all or part of the Notes upon not less than 30 nor more than 60 days' prior notice to the holders of the Notes. These redemptions will be in amounts of €100,000 and integral multiples of €1,000 in excess thereof at the following redemption prices (expressed as percentages of the principal amount at maturity), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period commencing December 15 of the years set forth below. This redemption is subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date.

Year	Redemption Price
2015	104.375%
2016	102.188%
2017 and thereafter	100.000%

Redemption upon Changes in Withholding Taxes

If, as a result of:

(a) any amendment on or after the date of the Indenture to, or change on or after the date of the Indenture in, the laws or regulations or treaties of a Relevant Taxing Jurisdiction, in each case, which is announced and becomes effective on or after the date of the Indenture (or, if the Relevant Taxing Jurisdiction was not a Relevant Tax Jurisdiction on the date of the Indenture, the date on which such Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction); or

(b) any change on or after the date of the Indenture in the official application or official interpretation of the laws or regulations or treaties of a Relevant Taxing Jurisdiction applicable to us, in each case, which is announced and becomes effective on or after the date of the Indenture (or, if the Relevant Taxing Jurisdiction was not a Relevant Tax Jurisdiction on the date of the Indenture, the date on which such Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction),

(each of the foregoing clauses (a) and (b), a "Change in Tax Law") we would be obligated to pay, on the next date for any payment, Additional Amounts as described above under "*—Additional Amounts*," which we cannot avoid by the use of reasonable measures available to us, then we may redeem all, but not less than all, of the Notes, at any time thereafter, upon not less than 30 or more than 60 days' notice to the holders of the Notes, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. Prior to the giving of any notice of redemption described in this paragraph, we will deliver to the Trustee and the Paying Agent:

(x) a certificate signed by two members of our Board of Directors stating that the obligation to pay such Additional Amounts cannot be avoided by our taking reasonable measures available to us; and

(y) a written opinion of independent legal counsel to our company of recognized standing (on which the Trustee may rely) to the effect that we have or will become obligated to pay such Additional Amounts as a result of a change, amendment, official interpretation or application described above.

We will publish a notice of any optional redemption of the Notes described above in accordance with the provisions of the Indenture described under "*—Notices*," which notice shall be irrevocable. We will inform the Luxembourg Stock Exchange of the principal amount of the Notes that have not been redeemed in connection with any optional redemption. Notwithstanding the foregoing, no such notice of redemption will be given (i) earlier than 90 days prior to the earliest date on which we would be obliged to make such payment of Additional Amounts, if a payment in respect of the Notes were then due and (ii) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect. The foregoing provisions shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor person becomes a party to the Indenture.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

If fewer than all the Notes are to be redeemed at any time, we shall instruct the Trustee to select the Notes by a method that complies with the requirements of applicable law and those of the principal securities exchange, if any, on which the Notes are listed at such time or, if the Notes are not listed on a securities exchange, *pro rata*, by lot or by such other method as we in our sole discretion shall deem fair and appropriate; *provided*, *however*, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than €100,000.

We are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, we may be required to offer to purchase the Notes as described under the captions "*—Purchase of Notes upon a Change of Control" and "—Certain Covenants—Limitation on Sale of Certain Assets*."

We and our Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise. We are not obligated to cancel any Notes so purchased, except to the extent required by applicable law.

Purchase of Notes upon a Change of Control

If a Change of Control occurs at any time, then we must make an offer (a "Change of Control Offer") to each holder of Notes to purchase such holder's Notes, in whole or in part (equal to €100,000 and integral multiples of €1,000 in excess thereof at a purchase price (the "Change of Control Purchase Price") in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase ("Change of Control Purchase Date") (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date); *provided* that we will not be required to make a Change of Control Offer if, when a Change of Control occurs, we have given notice of our intention to redeem all of the Notes pursuant to the provisions of the Indenture described in "—Optional Redemption," and thereafter redeem all of the Notes in accordance with such provisions.

Within 30 days following any Change of Control, we will:

(a) cause a notice of the Change of Control Offer to be published if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Change and the rules of such exchange so require, on the website of the Luxembourg Stock Exchange; and

(b) send notice of the Change of Control Offer by first-class mail, with a copy to the Trustee, to each holder of Notes to the address of such holder appearing in the security register, which notice will state:

    (i) that a Change of Control has occurred and the date it occurred;

    (ii) the circumstances and relevant facts regarding such Change of Control;

(iii) the Change of Control Purchase Price and the Change of Control Purchase Date in respect of such Change of Control Offer, which will be a business day no earlier than 30 days or later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act and any applicable securities laws or regulations;

(iv) that any Note accepted for payment pursuant to such Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless we fail to pay the Change of Control Purchase Price;

(v) that any Note (or part thereof) not tendered will continue to accrue interest; and

(vi) any other procedures that a holder of Notes must follow to accept such Change of Control Offer or to withdraw such acceptance (which procedures may also be performed at the office of the Paying Agent in Luxembourg as long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange).

The Trustee, at our direction, will promptly authenticate and deliver a new Note or Notes equal in principal amount to any unpurchased portion of Notes surrendered, if any, to the holder of Notes in global form or to each holder of certificated Notes; *provided* that each such new Note will be in a principal amount equal to €100,000 and in integral multiples of €1,000 in excess thereof. We will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

Our ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that would constitute a Change of Control may constitute a default under the Existing Notes or some or all of our other financing documents. In addition, certain events that may constitute a "change of control" under such other financing documents and cause a default thereunder may not constitute a Change of Control under the Indenture. Our future indebtedness and the future indebtedness of our Subsidiaries may also contain prohibitions of certain events that would require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the Notes of their right to require us to repurchase the Notes upon a Change of Control could cause a default under such indebtedness, even if the Change of Control itself does not, due to the possible financial effect on us of such repurchase.

If we make a Change of Control Offer, we can provide no assurance that we will have available funds sufficient to pay the Change of Control Purchase Price for all the Notes that might be delivered by holders of the Notes seeking to accept such Change of Control Offer. If we fail to make or consummate a Change of Control Offer or pay the Change of Control Purchase Price when due, such failure would result in an Event of Default and would give the Trustee and the holders of the Notes the rights described under "*—Events of Default*."

Even if sufficient funds were otherwise available, the terms of our other indebtedness may prohibit our repayment of the Notes prior to their scheduled maturity. If we were not able to prepay any indebtedness containing any such restrictions or obtain requisite consents, we would be unable to fulfill our repurchase obligations to holders of Notes who exercise their right to require us to repurchase their Notes following a Change of Control, which would cause a Default under the Indenture. A Default under the Indenture, unless waived by holders, would result in a cross-default under certain of our existing financing arrangements described under "*Description of Other Indebtedness.*"

We will not be required to make a Change of Control Offer if (i) the Notes have been called for redemption as described under "*Optional Redemption*" or (ii) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon the consummation of the Change of Control transaction, if a definitive agreement is in place for the Change of Control at the time of making the offer. Except as described above with respect to a Change of Control, the provisions of the Indenture will not give holders the right to require us to repurchase the Notes in the event of certain highly leveraged transactions, or certain other transactions, including a reorganization, restructuring, merger or similar transaction and, in certain circumstances, an acquisition by our management or their Affiliates, that may adversely affect holders of the Notes, if such transaction is not a transaction defined as a Change of Control. Any such transaction, however, would have to comply with the applicable provisions of the Indenture, including the "Limitation on Debt" covenant. The existence of a holder of the Notes' right to require us to repurchase such holder's Notes upon a Change of Control may deter a third party from acquiring us or our Subsidiaries in a transaction which constitutes a Change of Control.

We will comply with applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations (including those of the United States and France) in connection with any Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Indenture by virtue of such conflict.

"Change of Control" means the occurrence of any of the following events:

(a) prior to the consummation of an initial Public Equity Offering, any event, the result of which is that any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting power of our Voting Stock; or

(b) on or after the consummation of an initial Public Equity Offering, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33⅓% of the voting power of our Voting Stock at any time that the Permitted Holders are not the "beneficial owners" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of more than 33⅓% of the voting power of our Voting Stock (for the purposes of this clause (b), such other person or group shall be deemed to beneficially own 100% of the voting power of the Voting Stock of a specified entity directly held by a parent entity, if such other person or group becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33⅓% of the voting power of the Voting Stock of such parent entity and the Permitted Holders do not beneficially own more than 33⅓% of the voting power of the Voting Stock of such parent entity); or

(c) we consummate any transaction (including, without limitation, any merger, consolidation, amalgamation or other combination) pursuant to which our outstanding Voting Stock is converted into or exchanged for cash, securities or other property, except:

    (x) where our outstanding Voting Stock (i) is converted or exchanged only to the extent necessary to reflect a change in the jurisdiction of our incorporation or (ii) is converted into or exchanged for Voting Stock (other than Redeemable Capital Stock) of the surviving or transferee corporation; and

    (y) where the Voting Stock of the surviving or transferee corporation is and is expected to continue to be listed on a stock exchange or automated quotation system and publicly traded, either (i) no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33⅓% of the voting power of the total outstanding Voting Stock of such surviving or transferee corporation, or (ii) if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33 ⅓% of the voting power of the total outstanding Voting Stock of such surviving or transferee corporation, then the Permitted Holders must beneficially own a larger percentage of such Voting Stock than such person or group or the Voting Stock of any of our direct or indirect parent entities; or

(d) we convey, transfer, lease or otherwise dispose of, or any resolution with respect to a demerger or division is passed by our shareholders pursuant to which we would dispose of, all or substantially all of our assets and the assets of our Restricted Subsidiaries, considered as a whole (other than a transfer of substantially all of such assets to one or more Wholly Owned Restricted Subsidiaries), in each case to any Person other than one or more Permitted Holders; or

(e) we are liquidated or dissolved or adopt a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under "*—Certain Covenants—Consolidation, Merger and Sale of Assets*."

Suspension of Covenants Following Achievement of Investment Grade Rating

If we obtain an Investment Grade Rating for the Notes from two Rating Agencies and no Default or Event of Default has occurred and is continuing under the Indenture (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the "Reversion Date"), we and our Restricted Subsidiaries, upon the giving of written notice by us to the Trustee, will not be subject to the provisions of the Indenture described under:

- "*—Limitation on Debt*;"
- "*—Limitation on Restricted Payments*;"
- "*—Limitation on Transactions with Affiliates*;"
- "*—Limitation on Sale of Certain Assets*;"
- "*—Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries*;"
- clause (b) of the first paragraph of the covenant described under "*—Designation of Unrestricted and Restricted Subsidiaries*;"
- clause (b) of the covenant described under "*—Limitation on Sale and Leaseback Transactions*;"
- "*—Limitation on Lines of Business*;" and
- clause (c) of the first paragraph of the covenant described under "*—Consolidation, Merger and Sale of Assets*."

As a result, upon such event, the Notes will lose most of the covenant protection initially provided under the Indenture and described below. For the avoidance of doubt, no covenant will be suspended until we have provided the notice referred to above. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the "*Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of the Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Debt Incurred during the continuance of the Suspension Event will be classified, at the Company's option, as having been Incurred pursuant to the first paragraph of the covenant described under "*—Limitation on Debt*" or one of the clauses set forth in the second paragraph of such covenant (to the extent such Debt would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Debt Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Debt would not be so permitted to be incurred under the first two paragraphs of the covenant described under "*—Limitation on Debt*," such Debt will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (e) of the second paragraph of the covenant described under "*—Limitation on Debt*."

Certain Covenants

The Indenture will contain, among others, the following covenants. As described above, certain of these covenants will be suspended if we obtain Investment Grade Rating for the Notes.

Limitation on Debt

(1) We will not, and will not permit any Restricted Subsidiary to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to "Incur" or, as appropriate, an "Incurrence") any Debt (including any Acquired Debt); provided that we, any Qualified Finance Company Subsidiary and any Guarantor will be permitted to Incur Debt if no Event or Default would occur and be continuing after giving effect on a *pro forma* basis to such Incurrence of Debt and the application of the proceeds thereof, and at the time of such Incurrence and after giving *pro forma* effect to the Incurrence of such Debt and application of the proceeds thereof the Consolidated Fixed Charge Coverage Ratio for the four full fiscal quarters for which financial statements are available immediately preceding the Incurrence of such Debt, taken as one period, would be equal to or greater than 2.0 to 1.0.

(2) This covenant will not, however, prohibit the following (collectively, "Permitted Debt"):

(a) the Incurrence by us or any Restricted Subsidiary of Debt under Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed the higher of $1.0 billion and 7.5% of Consolidated Total Assets;

(b) the Incurrence by us or any Restricted Subsidiary of Debt represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Debt, in each case, Incurred to finance the purchase, acquisition, construction or improvement of Vessels, containers, port terminal facilities (including bunkering stations (but excluding bunker fuel stored except where incidental to such purchase or acquisition) and dry port facilities) and logistics assets (including Capital Stock of any Person the principal business of which consists of the provision of port terminal facilities (including bunkering stations and dry port facilities) or logistics services) used in our or any Restricted Subsidiary's business (including any reasonable related fees or expenses Incurred in connection therewith) (any such Incurrence (whether Incurred in reliance upon this clause (b) or otherwise) being a "Productive Assets Financing"); *provided* that the principal amount of such Debt so Incurred pursuant to this clause (b) does not, when Incurred, exceed (i) in the case of a completed Vessel, 85% of its Fair Market Value, (ii) in the case of an uncompleted Vessel, 85% of the contract price for the acquisition of such Vessel, as determined on the date on which the agreement for construction of such Vessel was entered into by the Issuer or its Restricted Subsidiary, plus any other Ready for Sea Cost of such Vessel, (iii) in the case of a completed container, 100% of the book value of such container, (iv) in the case of an uncompleted container, 100% of the contract price for the acquisition of such container, as determined on the date on which the agreement for construction of such container was entered into by the Issuer or its Restricted Subsidiary, and (v) in the case of such port terminal facilities and logistics assets, 100% of their Fair Market Value; *provided* that solely for the purposes of this clause (b) and in the case of a Capitalized Lease Obligation related to a Vessel or Vessels, the Debt Incurred (or deemed to be Incurred) in respect of such Vessel or Vessels (as the case may be) shall be reduced by the amount of any equity contribution made by any party (other than the Issuer, any Restricted Subsidiary or any Affiliate thereof) in connection with such Capitalized Lease Obligation that is shown as Debt on the consolidated balance sheet of the Issuer;

(c) the Incurrence by us or any Restricted Subsidiary of Debt represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Debt, in each case, Incurred to finance the purchase, acquisition, construction or improvement of real or personal, movable or immovable, property or assets (excluding any Productive Assets Financing); provided that the amount of such Debt so Incurred when aggregated with other Debt previously Incurred in reliance on this clause (c) and still outstanding (for the avoidance of doubt, excluding any Debt incurred in reliance on clauses (b) or (e) of this paragraph (2)) shall not in the aggregate exceed $100.0 million, and provided, further, that the total amount of any Debt Incurred in connection with a purchase, acquisition, construction or improvement permitted under this clause (c) did not in each case at the time of Incurrence exceed (i) the Fair Market Value of the purchased, acquired or constructed asset or improvement so financed or refinanced or (ii) in the case of an uncompleted asset, the amount of the asset to be constructed, as determined on the date on which the contract for construction of such asset was entered into by us or the relevant Restricted Subsidiary (including, in each case, any reasonable related fees and expenses Incurred in connection with such acquisition, construction or development);

(d) the Incurrence by us of Debt represented by the Notes (other than Additional Notes);

(e) any Debt of ours or any Restricted Subsidiary outstanding on the date of the Indenture (other than Debt described in another clause of this paragraph (2) but including, without limitation, (i) all outstanding Debt Incurred in Productive Assets Financings of ours or any Restricted Subsidiary for vessels or containers that are outstanding on the date of the Indenture and (ii) the Existing Notes to the extent outstanding on the date of the Indenture);

(f) the Incurrence by us or any Restricted Subsidiary of intercompany Debt between us and any Restricted Subsidiary or between or among Restricted Subsidiaries; provided that if we are the obligor on such Debt, such Debt is unsecured; provided, further, that (x) any disposition, pledge or transfer of any such Debt to any Person other than us or a Restricted Subsidiary and (y) any transaction pursuant to which any Restricted Subsidiary that has Debt owing to us or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an Incurrence of such Debt by the issuer thereof not permitted by this clause (f);

(g) the Incurrence by us or any Restricted Subsidiary of Debt arising from customary agreements providing for guarantees, earn-outs, indemnities or obligations in respect of purchase price adjustments in connection with the acquisition or disposition of assets, including, without limitation, shares of Capital Stock, other than guarantees or similar credit support given by us or any Restricted Subsidiary on Debt Incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; provided that, in the case of a sale, the maximum aggregate liability in respect of all such

Debt permitted pursuant to this clause (g) will at no time exceed the net proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value), actually received from the sale of such assets;

(h) the Incurrence by us or any Restricted Subsidiary of Debt under Currency Agreements that are entered into in the ordinary course of business and not for speculative purposes;

(i) the Incurrence by us or any Restricted Subsidiary of Debt under Interest Rate Agreements entered into in the ordinary course of business and not for speculative purposes;

(j) the Incurrence by us or any Restricted Subsidiary of Debt under Fuel Hedging Agreements entered into in the ordinary course of business in order to hedge anticipated commodity price fluctuations;

(k) the Incurrence by us or any Restricted Subsidiary of Debt in respect of workers' compensation claims and claims arising under similar legislation, or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit;

(l) the Incurrence of Debt by us or any Restricted Subsidiary arising from: (i) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Debt is extinguished within 15 Business Days of Incurrence, (ii) bankers' acceptances, performance, completion, surety, judgment, appeal or similar bonds, instruments or obligations provided or obtained by us or any Restricted Subsidiary in the ordinary course of business and (iii) completion guarantees provided or letters of credit obtained by us or any Restricted Subsidiary in the ordinary course of business;

(m) any Debt of ours or any Restricted Subsidiary Incurred pursuant to Permitted Receivables Financings;

(n) the Incurrence by us or any Restricted Subsidiary of Debt in relation to: (i) regular maintenance required to maintain the classification of any of the ships owned or chartered on bareboat terms by us or any Restricted Subsidiary, (ii) scheduled dry-docking of any of the ships owned by us or any Restricted Subsidiary for normal maintenance purposes and (iii) any expenditures that will or reasonably may be expected to be recoverable from insurance on such ships;

(o) the Incurrence by us or any Restricted Subsidiary of Debt in relation to the provision of bonds, guarantees, letters of credit or similar obligations required by the United States Federal Maritime Commission or other governmental or regulatory agencies including, without limitation, customs authorities, in connection with ships owned or chartered or business conducted by us or any Restricted Subsidiary;

(p) the Incurrence by us or any Restricted Subsidiary of Debt in relation to the provision in the ordinary course of business of bonds, guarantees, letters of credit or similar obligations required to remove Liens asserted by third parties pursuant to ship arrests;

(q) the Incurrence by us or any Restricted Subsidiary of Debt to finance the replacement of a Vessel upon the total loss, destruction, condemnation, confiscation, requisition, seizure or forfeiture of, or other taking of title to or use of, such Vessel (collectively, a "Total Loss") in an aggregate amount no greater than the amount that is equal to the contract price for such replacement Vessel less all compensation, damages and other payments (including insurance proceeds other than in respect of business interruption insurance) received by us or any Restricted Subsidiary from any Person in connection with such Total Loss in excess of amounts actually used to repay Debt secured by the Vessel subject to such Total Loss;

(r) guarantees of the Notes made in accordance with the provisions of the covenant described under "*—Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries*" below and guarantees of the Existing Notes made pursuant to the corresponding provisions of the Existing Notes Indentures;

(s) (i) Acquired Debt of a Restricted Subsidiary incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by us or another Restricted Subsidiary and became a Restricted Subsidiary; *provided* that, after giving *pro forma* effect to such acquisition, (x) we would have been able to incur at least $1.00 of additional Debt pursuant to paragraph (1) of this covenant or (y) we have a Consolidated Fixed Charge Coverage Ratio equal to or greater than immediately prior to giving *pro forma* effect to such acquisition; and (ii) Debt Incurred to provide all or any portion of the funds used to consummate any transaction or series of related transactions pursuant to which a Person became a Restricted Subsidiary or was otherwise acquired by us or a Restricted Subsidiary or we made an Investment in the Capital Stock of any Person engaged in a Related Business; *provided* that after giving *pro forma* effect to such acquisition, (x) we would have been able to incur at least $1.00 of additional Debt pursuant to paragraph (1) of this covenant and (y) our Consolidated Fixed Charge Coverage Ratio would have been equal to or greater than immediately prior to giving *pro forma* effect to such acquisition;

(t) the Incurrence of Debt by us or any Restricted Subsidiary (other than and in addition to Debt permitted under clauses (a) through (s) above and clauses (u) through (x) below) in an aggregate principal amount at any one time outstanding not to exceed $75.0 million;

(u) the Incurrence by us or a Restricted Subsidiary of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to Refinance, Debt Incurred pursuant to, or described in, paragraphs (1) and paragraphs 2(b), (d), (e), (s) (as to clause (i) thereof), (u) and (v) of this covenant, as the case may be;

(v) any Debt Incurred under Existing Credit Facilities;

(w) any Debt under the ORA, provided that the maximum amount of cash payment of interest, dividends or similar amounts that may be accrued and payable pursuant to the terms thereof may not exceed 12.0% per annum of the principal amount thereof and provided, further, that no such interest, dividend or similar amount shall be paid for so long as a Default or Event of Default specified in clause (a), (b), (d), (e) or (i) under "*—Events of Default*" has occurred and is outstanding; and

(x) any Debt Incurred by any Restricted Subsidiaries consisting of local lines of credit and overdraft facilities in an aggregate amount at any time outstanding not exceeding $100.0 million.

(3) For purposes of determining compliance with any dollar-denominated restriction on the Incurrence of Debt where Debt is denominated in a different currency, the amount of such Debt will be equal to the Dollar Equivalent thereof on the date of such determination; provided that, if any such Debt denominated in a different currency is subject to a Currency Agreement (which is designed to protect against or manage exposure to fluctuations in such currency against the dollar) covering principal amounts payable on such Debt, the amount of such Debt expressed in dollars will be adjusted to take into account the effect of such agreement. The principal amount of any Permitted Refinancing Debt Incurred in the same currency as the Debt being refinanced will be the Dollar Equivalent of such Debt being refinanced determined on the date such Debt being refinanced was initially Incurred. Notwithstanding any other provision of this covenant, for purposes of determining compliance with the "Limitation on Debt" covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that we or a Restricted Subsidiary may Incur under the "Limitation on Debt" covenant.

(4) For purposes of determining any particular amount of Debt under the "Limitation on Debt" covenant:

(a) obligations with respect to letters of credit, guarantees or Liens, in each case supporting Debt otherwise included in the determination of such particular amount will not be included;

(b) any Liens granted pursuant to the equal and ratable provisions referred to in the "Limitation on Liens" covenant will not be treated as Debt; and

(c) accrual of interest, accrual of dividends, the accretion of accreted value, the obligation to pay upfront financing fees and commitment fees and the payment of interest in the form of additional Debt will not be treated as Debt.

(5) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in paragraph (1) or (2) of this "Limitation on Debt" covenant, we, in our sole discretion, will classify such item of Debt and will only be required to include the amount and type of such Debt as the type of Debt to which it is classified and we will be entitled to divide and classify an item of Debt in more than one of the applicable types of Debt described in paragraph (1) or (2) of this "Limitation on Debt" covenant, and may change the classification of an item of Debt (or any portion thereof) to any other applicable type of Debt described in paragraph (1) or (2) of this "Limitation on Debt" covenant at any time, *provided* that any Debt under the Existing Credit Facilities outstanding on the date of the Indenture will be deemed to have been Incurred under clause (v) of the definition of Permitted Debt and may not be reclassified.

Limitation on Restricted Payments

(1) We will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a "Restricted Payment" and which are collectively referred to as "Restricted Payments"):

(a) declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of our or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving us or any Restricted Subsidiary) (other than (i) to us or any Wholly Owned Restricted Subsidiary or (ii) to all holders of Capital Stock of such Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by us or a Restricted Subsidiary of dividends or distributions of greater value than we or such Restricted Subsidiary would receive on a *pro rata* basis), except for dividends or distributions payable solely in shares of our Qualified Capital Stock or in options, warrants or other rights to acquire such shares of Qualified Capital Stock;

(b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation), directly or indirectly, any shares of our Capital Stock or any Capital Stock of any direct or indirect parent of ours held by persons other than us or a Restricted Subsidiary or any options, warrants or other rights to acquire such shares of Capital Stock;

(c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, (i) prior to any scheduled principal payment, scheduled sinking fund payment or scheduled maturity, any Subordinated Debt (other than (x) a principal payment on, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt purchased in anticipation of satisfying a scheduled principal payment, scheduled sinking fund payment, scheduled maturity or other installment obligation, in each case due within one year of the date of acquisition and (y) Subordinated Shareholder Debt) or (ii) the ORA (other than a redemption in shares of preferred or common stock of the Company in accordance with the ORA Agreements);

(d) make any Investment (other than any Permitted Investment) in any Person; or

(e) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than any payment in the form of Capital Stock or additional Subordinated Shareholder Debt).

If any Restricted Payment described above is not made in cash, we will calculate the amount of the proposed Restricted Payment at the Fair Market Value of the asset to be transferred as of the date of transfer.

(2) Notwithstanding paragraph (1) above, we may make a Restricted Payment if, at the time of and after giving *pro forma* effect to, such proposed Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) we could Incur at least $1.00 of additional Debt (other than Permitted Debt) pursuant to the "Limitation on Debt" covenant; and

(c) the aggregate amount of all Restricted Payments (subject to the provisions of the last paragraph under this covenant) declared or made after the Existing Notes Issue Date does not exceed the sum of (without duplication):

(i) 50% of our aggregate Consolidated Adjusted Net Income on a cumulative basis during the period beginning on April 1, 2011 and ending on the last day of our last fiscal quarter ending prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Adjusted Net Income shall be a negative number, minus 100% of such negative amount); plus

(ii) the aggregate Net Cash Proceeds received by us after the Existing Notes Issue Date as capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of our Qualified Capital Stock (including upon the exercise of options, warrants or rights), warrants, options or rights to purchase shares of our Qualified Capital Stock or of Subordinated Shareholder Debt (except, in each case to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Debt as set forth in (b) or (c) of paragraph (3) below) (excluding the Net Cash Proceeds from the issuance of our Qualified Capital Stock financed, directly or indirectly, using funds borrowed from us or any Subsidiary until and to the extent such borrowing is repaid); plus

(iii) (x) the amount by which our Debt or Debt of any Restricted Subsidiary is reduced on our consolidated balance sheet after the Existing Notes Issue Date upon the conversion or exchange (other than by us or any Subsidiary) of such Debt into our Qualified Capital Stock, and (y) the aggregate Net Cash Proceeds received after the Existing Notes Issue Date by us from the issuance or sale (other than to any Subsidiary) of Redeemable Capital Stock that has been converted into or exchanged for our Qualified Capital Stock, to the extent such Redeemable Capital Stock was originally sold for cash or Cash Equivalents, together with, in the cases of both (x) and (y), the aggregate net cash proceeds received by us at the time of such conversion or exchange (excluding the Net Cash Proceeds from the issuance of our Qualified Capital Stock financed, directly or indirectly, using funds borrowed from us or any Subsidiary until and to the extent such borrowing is repaid); plus

(iv) (x) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after the Existing Notes Issue Date, an amount (to the extent not included in Consolidated Adjusted Net Income) equal to the lesser of the return of capital with respect to such Investment and the initial amount of such Investment, in either case, less the cost of the disposition of such Investment and net of taxes; (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of our interest in such Subsidiary; *provided* that such amount will not in any case exceed the amount of the Restricted Payment deemed made at the time that the Subsidiary was designated as an Unrestricted Subsidiary, less any repayment or other reduction prior to such designation as a Restricted Subsidiary; and (z) in the case of an Investment that was a guarantee and that constituted a Restricted Payment made after the Existing Notes Issue Date and is subsequently released, an amount (to the extent not included in Consolidated Adjusted Net Income) equal to (i) the amount of such guarantee released to the extent no payments had been made in respect thereof prior to or in connection with such release or (ii) if any such payments had been made, the amount reimbursed to the Person who granted such guarantee by a Person other than us or a Restricted Subsidiary; plus

(v) in the event that we or any Restricted Subsidiary make any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, an amount equal to the Fair Market Value of our or such Restricted Subsidiary's existing interest in such person (*provided* that such amount will not in any case exceed the aggregate amount of the Restricted Payments made or deemed made in respect of such Unrestricted Subsidiary, less any repayment or other reduction prior to the Investment) and to the extent such Investment has not been previously repaid or otherwise reduced.

(3) Notwithstanding paragraphs (1) and (2) above, we and any Restricted Subsidiary may take the following actions so long as (with respect to clauses (h), (j), (l), (m) and (o) below) no Default or Event of Default has occurred and is continuing:

(a) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date on which a dividend is declared by our Board of Directors or an irrevocable redemption notice is given, as the case may be, if at the date of its declaration or such notice, as the case may be, the dividend payment or redemption would have complied with the provisions of the Indenture;

(b) the making of any Restricted Payment in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of our Qualified Capital Stock or options, warrants or other rights to acquire such Capital Stock or of Subordinated Shareholder Debt;

(c) the purchase, redemption, defeasance or other acquisition or retirement for value or payment of principal of any Subordinated Debt in exchange for, or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of our Qualified Capital Stock;

(d) the purchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Debt (other than Redeemable Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent Incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

(e) the repurchase of Capital Stock deemed to occur upon the exercise of stock options in which payment of the cash exercise price has been forgiven if the cumulative aggregate value of such deemed repurchases does not exceed the cumulative aggregate amount of the exercise price of such options received;

(f) payments or distributions to dissenting shareholders pursuant to applicable law in connection with or in contemplation of a merger, consolidation or transfer of assets that complies with the provisions of the Indenture described under "*Consolidation, Merger and Sale of Assets*;"

(g) cash payments in lieu of issuing fractional shares pursuant to the exercise or conversion of any exercisable or convertible securities;

(h) the purchase (or other acquisition) of Capital Stock, or any warrants, options or rights to purchase Capital Stock, from our or our Restricted Subsidiaries' current and former employees or management (and their respective assignees or successors) in each case initially sold or granted in connection with employee stock option agreements or other agreements to compensate employees not to exceed $10.0 million in the aggregate for all such purchases;

(i) payments or other transactions pursuant to a tax sharing agreement between us and any of our Restricted Subsidiaries with which we file a consolidated tax return or with which we are part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;

(j) the repurchase of any Subordinated Debt (other than Subordinated Shareholder Debt) in the event of a Change of Control or an Asset Sale in accordance with provisions similar to the provisions of the Indenture described under "*—Purchase of Notes upon a Change of Control*" or "*—Limitation on Sale of Certain Assets*," as applicable, *provided* that, prior to such purchase, we have made the Change of Control Offer or Excess Proceeds Offer, as applicable, as provided in such covenants with respect to the Notes and have repurchased all Notes validly tendered for payment in connection with such Change of Control Offer or Excess Proceeds Offer, as applicable;

(k) payments to our direct parent holding company to pay salaries and other proper and necessary incidental expenses of its employees to the extent related to work or services performed by such employees in our business or the business of any Restricted Subsidiary;

(l) following the first Public Equity Offering of the Issuer or of a direct or indirect parent company of the Issuer, any Restricted Payment; *provided* that after giving *pro forma* effect to any such Restricted Payment the Consolidated Leverage Ratio would not exceed 2.0 to 1.0;

(m) following the first Public Equity Offering of the Issuer or of a direct or indirect parent company of the Issuer, the declaration or payment of dividends or distributions in a maximum amount with respect to any fiscal year equal to the higher of (i) 6% per annum of the Net Cash Proceeds received by the Issuer from any such Public Equity Offering as equity capital in the form of Qualified Capital Stock and (ii) 5% of the Market Capitalization; *provided, however,* in the case of clause (ii) of this paragraph, that (A) the aggregate amount of such dividends or distributions with respect to any fiscal year does not exceed 40% of our Consolidated Adjusted Net Income for such fiscal year and (B) the Minimum Cash Balance is no less than $400.0 million after giving *pro forma* effect the payment of such dividend or distribution;

(n) the declaration and payment of dividends to holders of any class or series of Redeemable Capital Stock of the Company issued in accordance with the terms of the Indenture; and

(o) any other Restricted Payment, *provided* that the total aggregate amount of Restricted Payments made under this clause (o) does not exceed $75.0 million.

The actions described in clauses (a), (f), (g), (h), (j), (k), (l), (m) and (o) of this paragraph (3) are Restricted Payments that will be permitted to be made in accordance with this paragraph (3) but any such actions that have been taken since the Existing Notes Issue Date or will be taken after the date hereof reduce the amount that would otherwise be available for Restricted Payments under clause (c) of paragraph (2) above.

Limitation on Transactions with Affiliates

We will not, and will not permit any Restricted Subsidiary, directly or indirectly, to enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service), with, or for the benefit of, any Affiliate of ours or any Restricted Subsidiary's Affiliate unless such transaction or series of transactions is entered into in good faith and:

(a) such transaction or series of transactions is on terms that are no less favorable to us or such Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's-length transactions with third parties that are not Affiliates;

(b) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case having a value greater than $25.0 million, such transaction complies with clause (a) above and such transaction has been approved by a majority of the Disinterested Directors, or in the event there is only one Disinterested Director, by such Disinterested Director; and

(c) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case having a value greater than \$50.0 million, we will deliver to the Trustee a written opinion of an investment banking firm of international standing (or, if an investment banking firm is generally not qualified to give such an opinion, by an internationally recognized appraisal firm or accounting firm) stating that the transaction or series of transactions taken as a whole is fair to us or such Restricted Subsidiary from a financial point of view.

Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

(i) customary directors' fees, indemnification and similar arrangements, consulting fees, employee salaries bonuses, employment agreements and arrangements, collective bargaining agreements, compensation or employee benefit arrangements, including stock options, stock incentive plans, vacation plans, health and life insurance plans, deferred compensation plans, retirement or savings plans or legal fees, so long as we have approved the terms thereof and deem the services theretofore or thereafter to be performed for such compensation or payments to be fair consideration therefor;

(ii) any Restricted Payments not prohibited by the *"Limitation on Restricted Payments"* covenant or the making of an Investment that is a Permitted Investment;

(iii) loans and advances or guarantees of third-party loans to employees (but not any forgiveness of such loans or advances or of indebtedness owed to us or a Restricted Subsidiary of any amounts paid in respect of any such guarantee) to our or any Restricted Subsidiary's officers, directors or employees made in the ordinary course of business *provided* that such loans and advances do not exceed \$10.0 million in the aggregate at any one time outstanding;

(iv) agreements and arrangements existing on the date of the Indenture and any amendment or modifications thereof, *provided* that any amendments or modifications to the terms thereof are not more disadvantageous to the holders of the Notes and to us or our Restricted Subsidiaries, as applicable, in any material respect than the original agreement as in effect on the date of the Indenture;

(v) any payments or other transactions pursuant to a tax sharing agreement between us and any other Person with which we file a consolidated tax return or with which we are part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;

(vi) any employment agreements and other compensation arrangements, options to purchase Capital Stock of the Company, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers and employees approved by the Board of Directors and, in each case, any issuances, grants, payments or other fundings pursuant thereto;

(vii) any issuance or sale of Capital Stock (other than Redeemable Capital Stock) or Subordinated Shareholder Debt to Affiliates of the Company and the granting of registration rights and other customary rights in connection therewith and any other contributions to the capital of the Company;

(viii) any transactions with, or for the benefit of (x) any Person (other than us or a Restricted Subsidiary) in which we or any Restricted Subsidiary owns Capital Stock, or (y) any other Person (other than us or a Restricted Subsidiary) who holds Capital Stock in, or is a director or officer of, any Person described in the foregoing clause (x), *provided* that, the Person described in clause (x) or the other Person described above in clause (y), as the case may be, is an Affiliate of ours or a Restricted Subsidiary solely as a result of (I) the ownership by us or a Restricted Subsidiary of Capital Stock in such Person or other Person and/or (II) the ownership by such other Person of Capital Stock in any Person described in clause (x) and/or (III) the holding of a position as a director or officer of any Person described in clause (x);

(ix) Permitted Investments in accordance with clause (q) of the definition of "Permitted Investments," *provided* that no other Investment the relevant Person or in any business in which such Person invests was or is made by any direct or indirect parent company of ours or one of our Subsidiaries or by any other entity under common control with us;

(x) transactions between or among us or any Restricted Subsidiary and any Affiliate made in connection with and incidental to any Permitted Receivables Financing;

(xi) any transactions pursuant to the ORA Agreements;

(xii) transactions between or among us and Restricted Subsidiaries or among Restricted Subsidiaries;

(xiii) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Issuer and any relevant Restricted Subsidiary from a financial point of view and are on terms which, taken as a whole, are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that could reasonably have been obtained with an unaffiliated Person (in each case, as determined in good faith by the Issuer); and

(xiv) unless otherwise permitted under clause (xii) of this paragraph, any transaction between us or any Restricted Subsidiary and Global Ship Lease, Inc.; unless (A) at the time such transaction is entered into, the Class A Common Shares of Global Ship Lease, Inc. (or any successor class of securities) are not listed on the New York Stock Exchange or registered under Section 12 of the Exchange Act or (B) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) that includes the Company or any its Affiliates is or becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting power of the Voting Stock of Global Ship Lease, Inc.

Limitation on Liens

We will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur, assume or suffer to exist any Lien of any kind (except for Permitted Liens) that secures obligations under any Debt or assign or otherwise convey any right to receive any income, profits or proceeds on or with respect to any of our or any Restricted Subsidiary's property or assets, including any shares of stock or Debt of any Restricted Subsidiary, whether owned at or acquired after the date of the Indenture, or any income, profits or proceeds therefrom unless:

(a) in the case of any Lien securing Subordinated Debt, our obligations in respect of the Notes and all other amounts due under the Indenture are directly secured by a Lien on such property, assets or proceeds that is senior in priority to such Lien; and

(b) in the case of any other Lien, our obligations in respect of the Notes and all other amounts due under the Indenture are equally and ratably secured with the obligation or liability secured by such Lien.

Any such Lien in favor of the Trustees and the holders of the Notes will be automatically and unconditionally released and discharged concurrently with (i) the unconditional release of the Lien (other than as a consequence of an enforcement action with respect to the assets subject to such Lien) that gave rise to the Lien in favor of the Trustees and the holders of the Notes, (ii) the full and final payment of all amounts payable by us under the Notes and the Indenture or (iii) legal defeasance or satisfaction and discharge of the Notes as provided below under the captions "*—Legal Defeasance or Covenant Defeasance of Indenture*" and "*—Satisfaction and Discharge*."

Limitation on Sale of Certain Assets

(1) We will not, and will not permit any Restricted Subsidiary to, engage in any Asset Sale unless:

(a) the consideration we receive or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold (in the case of any Asset Sale having a Fair Market Value greater than \$50.0 million, as determined by our Board of Directors);

(b) at least 75% of the consideration we receive or the relevant Restricted Subsidiary receives in respect of such Asset Sale consists of: (i) cash (including any Net Cash Proceeds received from the conversion within 120 days of such Asset Sale of securities received in consideration of such Asset Sale), (ii) Cash Equivalents, (iii) any securities, notes or other obligations received by the Company or any Restricted Subsidiary that are converted by the Company or such Restricted Subsidiary into cash (to the extent of the cash received) within 120 days following the closing of such Asset Sale, (iv) the assumption by the purchaser of (x) our Debt or Debt of any Restricted Subsidiary (other than Subordinated Debt) as a result of which neither we nor the relevant Restricted Subsidiary remains obligated in respect of such Debt, (y) Debt of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if we are and each other Restricted Subsidiary is released from any guarantee of such Debt as a result of such Asset Sale or (z) any liabilities (as shown on the Company's or a Restricted Subsidiary's balance sheet) of the Company or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) from which the Company and all Restricted Subsidiaries have been validly released, (v) Related Business Assets or (vi) a combination of the consideration specified in clauses (i) to (v); and

(c) we deliver an Officer's Certificate to the Trustee certifying that such Asset Sale complies with the provisions described in the foregoing clauses (a) and (b).

(2) If we or any Restricted Subsidiary engage in an Asset Sale, the Net Cash Proceeds of the Asset Sale, within 360 days after such Asset Sale, may be used by us or such Restricted Subsidiary (a) to repay or prepay any then outstanding Senior Debt of us or any Restricted Subsidiary owing to a Person other than us or a Restricted Subsidiary or any revolving credit Debt (other than Subordinated Debt) of ours, (b) to invest in Related Business Assets, (c) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, a Person engaged in a Related Business, (d) to make a capital expenditure, (e) to make an offer to purchase the Notes to all holders of Notes at a purchase price no less than 100% of the principal amount of the Notes, plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase, (f) to purchase, or permanently prepay or redeem or repay, any Pari Passu Debt (including the Existing Notes) so long as (other than in the case of revolving credit Debt of ours) any such redemption, repayment or purchase (or, as applicable, offer in respect thereof) occurs as part of an Excess Proceeds Offer to holders of Notes in accordance with the procedures set forth in paragraphs (3) to (6) of this covenant, except that (x) the reference to "Excess Proceeds" in the next succeeding paragraph shall be construed as an amount of Net Cash Proceeds determined at the discretion of the Issuer, (y) the expressions "such Pari Passu Debt required to be redeemed" and "such Pari Passu Debt" shall be construed as the Pari Passu Debt sought to be retired and (z) the offer price as to each Note will be no less than 100% of the principal amount of such Note plus accrued and unpaid interest thereon and Additional Amounts, if any, to the date of purchase, or (g) for any combination of the foregoing; *provided, however,* that any application of Net Cash Proceeds pursuant to clauses (b), (c) or (d) above made pursuant to a definitive binding agreement or a commitment that is executed or approved within such time will satisfy this requirement, so long as such investment or acquisition, as applicable, is consummated within 90 days (in the case of clauses (b) or (d)) or 180 days (in the case of clause (c)) of such 360th day. The amount of such Net Cash Proceeds not so used as set forth in this paragraph (2) constitutes "Excess Proceeds."

(3) When the *aggregate* amount of Excess Proceeds exceeds $75.0 million, we will, within 20 Business Days, make an offer to purchase (an "Excess Proceeds Offer") from all holders of Notes and from the holders of any Pari Passu Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the procedures set forth in the Indenture (and, so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, in accordance with the rules of such exchange, which include a requirement to publish a notice of any such offer in a newspaper having general circulation in Luxembourg (which we expect to be the *Luxemburger Wort*)) or the agreements governing any such Pari Passu Debt, the maximum principal amount (in case of the Notes, expressed as a multiple of €1,000 *provided* that a Note of €100,000 or less may only be redeemed in whole and not in part) of the Notes and any such Pari Passu Debt that may be purchased with the amount of Excess Proceeds. The offer price as to each Note and any such Pari Passu Debt will be payable in cash in an amount equal to (solely in the case of the Notes) 100% of the principal amount of such Note and (solely in the case of Pari Passu Debt) no greater than 100% of the principal amount (or accreted value, as applicable) of such Pari Passu Debt, plus in each case accrued interest, if any, to the date of purchase. So long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, we will publicly announce the results of an Excess Proceeds Offer.

If the aggregate principal amount of Notes and any such Pari Passu Debt validly tendered and not withdrawn by holders thereof exceeds the amount of Excess Proceeds, the Notes and any such Pari Passu Debt to be purchased will be selected by the Trustee on a *pro rata* basis (based upon the principal amount of Notes and the principal amount or accreted value of such Pari Passu Debt tendered by each holder).

(4) If we are obligated to make an Excess Proceeds Offer, we will purchase the Notes and Pari Passu Debt, at the option of the holders thereof, in whole or in part, equal to, in case of the Notes, €100,000 and integral multiples of €1,000 in excess thereof on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may be required under the Exchange Act, and in case of Pari Passu Debt, such minimum denominations or integral multiples in excess thereof as set forth in the documentation governing such Pari Passu Debt.

(5) To the extent that the sum of the aggregate offered price of Notes tendered pursuant to an Excess Proceeds Offer and the aggregate Pari Passu Debt Price paid to the holders of such Pari Passu Debt pursuant to such Excess Proceeds Offer is less than the amount of the Excess Proceeds Offer, the Issuer may use the remaining Excess Proceeds for any purpose not prohibited by the Indenture.

(6) To the extent that the aggregate principal amount of Notes and any such Pari Passu Debt tendered pursuant to an Excess Proceeds Offer is less than the amount of Excess Proceeds, we may use the amount of such Excess Proceeds not used to purchase Notes and Pari Passu Debt for any purpose that is not otherwise prohibited by the Indenture. Upon completion of such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero.

Notwithstanding any of the foregoing, we or any Restricted Subsidiary may engage in an Asset Swap and the provisions in (i) clause 1(b) shall not apply to such Asset Swap and (ii) clauses (2), (3) and (4) above shall not apply to such Asset Swap except in respect of any Net Cash Proceeds received by us or any such Restricted Subsidiary; *provided* that we will not, and will not permit any Restricted Subsidiary to, engage in any Asset Swap, unless:

(a) at the time of entering into such Asset Swap and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(b) with respect to any Asset Swap involving the transfer of assets having a value greater than $50.0 million, we deliver a resolution of our Board of Directors (set out in an Officer's Certificate to the Trustee) resolving that such Asset Swap has been approved by our Board of Directors;

(c) with respect to any Asset Swap involving the transfer of assets having a value greater than $100.0 million, we deliver to the Trustee a written opinion of an investment banking firm of international standing (or, if an investment banking firm is generally not qualified to give such an opinion, by an internationally recognized appraisal firm or accounting firm) stating that the Asset Swap is fair to us or such Restricted Subsidiary from a financial point of view; and

(d) such Asset Swap would be permitted under the "Restrictions on Transfer of Our Assets" covenant (if applicable to such Asset Swap).

If we are required to make an Excess Proceeds Offer, we will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this covenant (other than the obligation to make an Excess Proceeds Offer pursuant to this covenant), we will comply with such securities laws and regulations and will not be deemed to have breached our obligations described in this covenant by virtue thereof.

Limitation on Sale and Leaseback Transactions

We will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction with respect to any property or assets (whether now owned or hereafter acquired), unless:

(a) the sale or transfer of such property or assets to be leased is treated as an Asset Sale and effected in compliance with the "Limitation on Sale of Certain Assets" covenant;

(b) we or such Restricted Subsidiary would be permitted to Incur Debt under the "Limitation on Debt" covenant in the amount of the Attributable Debt Incurred in respect of such Sale and Leaseback Transaction;

(c) we or such Restricted Subsidiary would be permitted to grant a Lien to secure Debt under the "Limitation on Liens" covenant in the amount of the Attributable Debt in respect of such Sale and Leaseback Transaction; and

(d) in the case of any Sale and Leaseback Transaction having a Fair Market Value greater than $10.0 million, the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction.

Notwithstanding the foregoing, nothing shall prevent us or any Restricted Subsidiary from engaging in a Sale and Leaseback Transaction solely between us and any Restricted Subsidiary or solely between Restricted Subsidiaries.

Limitation on Guarantees of Debt by Restricted Subsidiaries

(1) We will not permit any Restricted Subsidiary, directly or indirectly, to guarantee, assume or in any other manner become liable for the payment of any of our Debt (other than the Notes), unless:

(a) (i) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of payment of the Notes by such Restricted Subsidiary on the same terms as the guarantee of such Debt; and

(ii) with respect to any guarantee of Subordinated Debt by such Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's guarantee with respect to the Notes at least to the same extent as such Subordinated Debt is subordinated to the Notes; and

(b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against us or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its guarantee.

This paragraph (1) will not be applicable to any guarantees of any Restricted Subsidiary:

(i) guaranteeing Debt permitted to be incurred under clause (a) of the definition of "Permitted Debt" or existing on the date of the Indenture and any Permitted Refinancing Debt refunding, replacing or refinancing such Debt;

(ii) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(iii) given to a bank or trust company organized in any member state of the European Union as of the date of the Indenture or any commercial banking institution that is a member of the U.S. Federal Reserve System, (or any branch, Subsidiary or Affiliate thereof) in each case having combined capital and surplus and undivided profits of not less than €500.0 million, whose debt has a rating, at the time such guarantee was given, of at least A by S&P and at least A2 by Moody's, in connection with the operation of cash management programs established for our benefit or that of any Restricted Subsidiary; or

(iv) that (w) is a Wholly Owned Restricted Subsidiary, (x) was incorporated for the sole purpose of owning or leasing, and limited by its constituent documents to owning or leasing, a single vessel used in our business, (y) does not have any Subsidiaries and (z) does not have any assets other than such vessel and intercompany receivables.

(2) Notwithstanding the foregoing, any guarantee of the Notes created pursuant to the provisions described in the foregoing paragraph (1) may provide by its terms that it will be automatically and unconditionally released and discharged upon:

(a) any sale, exchange or transfer, to any Person who is not a Restricted Subsidiary, of all of our Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not prohibited by the Indenture); or

(b) (with respect to any guarantee created after the date of the Indenture) the release by the holders of our Debt described in the preceding paragraph of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee), at a time when:

(i) no other Debt of ours (other than the Notes) has been guaranteed by such Restricted Subsidiary; or

(ii) the holders of all such other Debt that is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee).

Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) We will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction of any kind on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits;

(b) pay any Debt owed to us or any other Restricted Subsidiary;

(c) make loans or advances to us or any other Restricted Subsidiary; or

(d) transfer any of its properties or assets to us or any other Restricted Subsidiary.

(2) The provisions of the covenant described in paragraph (1) above will not apply to:

(a) encumbrances or restrictions imposed by the Existing Notes, the Notes or the Indenture or by other indentures governing other Debt we Incur (and if such Debt is guaranteed, by the guarantors of such Debt) ranking equally with the Notes (or any guarantee), *provided* that the encumbrances or restrictions imposed by such other indentures are not materially more restrictive, taken as a whole, than the restrictions imposed by the Indenture;

(b) encumbrances or restrictions contained in any agreement in effect on the date of the Indenture in the form contained in such agreement on the date of the Indenture;

(c) encumbrances or restrictions imposed by Debt permitted to be Incurred under Credit Facilities or Permitted Debt referred to in clause (a) of paragraph (2) of the covenant described under "—Limitation on Debt" or any guarantees thereof or liens related thereto in accordance with the "Limitation on Debt" covenant; *provided* that in the case of any such encumbrances or restrictions imposed under any Credit Facilities, such encumbrances or restrictions are not materially more restrictive taken as a whole than those imposed under our existing financing arrangements outstanding on the date of the Indenture;

(d) in the case of clause (1)(d) above or in respect of any leases for vessels, customary provisions restricting subletting or assignment of any lease or assignment of any other contract to which we or any Restricted Subsidiary is a party or to which any of our or any Restricted Subsidiary's respective properties or assets are subject or customary restrictions contained in operating leases for real property and restricting only the transfer of such real property or effective only upon the occurrence and during the continuance of a default in the payment of rent;

(e) encumbrances or restrictions contained in any agreement or other instrument of a Person acquired by us or any Restricted Subsidiary in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(f) encumbrances or restrictions contained in contracts for sales of Capital Stock or assets not prohibited by the "Limitation on Sale of Certain Assets" covenant with respect to the assets or Capital Stock to be sold pursuant to such contract or in customary merger or acquisition agreements (or any option to enter into such contract) for the purchase or acquisition of Capital Stock or assets of any of our Restricted Subsidiaries by another Person;

(g) in the case of clause (1)(d) above or in respect of any leases for vessels or containers, any customary encumbrances or restriction pertaining to an asset subject to a Lien to the extent set forth in the security document governing such Lien or encumbrances or restrictions existing by reason of any Permitted Lien or Lien permitted under the "*Limitation on Liens*" covenant;

(h) encumbrances or restrictions, including, without limitation, encumbrances or restrictions on cash or assets in escrow accounts of deposits paid on property used in our business, in each case imposed by applicable law or regulation or by governmental licenses, concessions, franchises or permits;

(i) encumbrances or restrictions existing under any agreement that extends, renews or Refinances the agreements containing the encumbrances or restrictions in the foregoing clauses (2)(a), (b), (c) and (e); *provided* that the terms and conditions of any such encumbrances or restrictions are not materially less favorable to the holders of the Notes than those under or pursuant to the agreement so Refinanced;

(j) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under contracts entered into the ordinary course of business;

(k) customary limitations on the distribution or disposition of assets or property in joint venture agreements entered into the ordinary course of business and in good faith; *provided* that such encumbrance or restriction is applicable only to such Restricted Subsidiary and *provided* that:

(i) the encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable agreements (as determined by us); and

(ii) we determine that any such encumbrance or restriction will not materially affect our ability to make any anticipated principal or interest payments on the Notes;

(l) encumbrances or restrictions in connection with purchase money obligations and Capitalized Lease Obligations for property acquired in the ordinary course of business that impose restrictions of the type described in clause (2)(d) above on the transfer of the properties so acquired;

(m) any encumbrance or restriction arising by reason of customary non-assignment provisions in agreements;

(n) encumbrances or restrictions with respect to any Permitted Receivables Financing; *provided, however*, that such encumbrances or restrictions are customarily required by the institutional sponsor or arranger of such Permitted Receivables Financing in similar types of documents relating to the purchase of similar receivables in connection with the financing thereof; or

(o) encumbrances or restrictions in connection with Debt permitted to be Incurred or Permitted Debt Incurred subsequent to the Issue Date in each case pursuant to the provisions of the covenant described under "*Limitation on Debt*" if such encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in good faith by the Issuer) and the Issuer determines in good faith that such encumbrance or restriction will not materially affect its ability to make principal or interest payments on the Notes as and when they become due.

Designation of Unrestricted and Restricted Subsidiaries

(1) Our Board of Directors may designate any Subsidiary (including newly acquired or newly established Subsidiaries) to be an "Unrestricted Subsidiary" only if:

(a) no Default has occurred and is continuing at the time of or after giving effect to such designation;

(b) we would be permitted to make a Restricted Payment at the time of designation (assuming the effectiveness of such designation) pursuant to the second paragraph of the "*Limitation on Restricted Payments*" covenant or a Permitted Investment, in either case in an amount equal to the greater of (i) the net book value of our interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of our interest in such Subsidiary;

(c) neither we nor any Restricted Subsidiary has a contract, agreement, arrangement, understanding or obligation of any kind, whether written or oral, with such Subsidiary unless the terms of such contract, arrangement, understanding or obligation are no less favorable to us or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of ours or of any Restricted Subsidiary;

(d) such Unrestricted Subsidiary does not own any Capital Stock, Redeemable Stock or Debt of, or own or hold any Lien on any property or assets of, or have any Investment in, us or any other Restricted Subsidiary; and

(e) such Unrestricted Subsidiary is a Person with respect to which neither we nor any of the Restricted Subsidiaries has any direct or indirect obligation to:

(i) subscribe for additional Capital Stock of such Person; or

(ii) maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results.

(2) In the event of any such Designation, we will be deemed to have made an Investment constituting a Restricted Payment pursuant to the "Limitation on Restricted Payments" covenant for all purposes of the Indenture in an amount equal to the greater of (i) the net book value of our interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of our interest in such Subsidiary.

(3) The Indenture will further provide that neither we nor any Restricted Subsidiary will at any time:

(a) provide a guarantee of, or similar credit support to, any Debt of any Unrestricted Subsidiary (including of any undertaking, agreement or instrument evidencing such Debt); *provided* that we may pledge Capital Stock or Debt of any Unrestricted Subsidiary on a nonrecourse basis as long as the pledgee has no claim whatsoever against us other than to obtain such pledged property, except to the extent permitted under the "*Limitation on Debt*," "*Limitation on Restricted Payments*" and "*Limitation on Transactions with Affiliates*" covenants; or

(b) be directly or indirectly liable for any Debt of any Unrestricted Subsidiary, except to the extent permitted under the "*Limitation on Debt*," "*Limitation on Restricted Payments*" and "*Limitation on Transactions with Affiliates*" covenants.

(4) Our Board of Directors may designate any Unrestricted Subsidiary as a Restricted Subsidiary if:

(a) no Default or Event of Default has occurred and is continuing at the time of or will occur and be continuing after giving effect to such designation; and

(b) unless such redesignated Subsidiary shall not have any Debt outstanding (other than Debt that would be Permitted Debt) immediately before and after giving effect to such proposed designation, and after giving *pro forma* effect to the Incurrence of any such Debt of such redesignated Subsidiary as if such Debt was Incurred on the date of the redesignation, we could Incur $1.00 of additional Debt (other than Permitted Debt) pursuant to the "*Limitation on Debt*" covenant.

(5) Any such designation as an Unrestricted Subsidiary or Restricted Subsidiary by our Board of Directors will be evidenced to the Trustee by filing a resolution of our Board of Directors with the Trustee giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions, and giving the effective date of such designation. Any such filing with the Trustee must occur within 45 days after the end of our fiscal quarter in which such designation is made (or, in the case of a designation made during the last fiscal quarter of our fiscal year, within 90 days after the end of such fiscal year).

Limitation on Lines of Business

We will not, and will not permit any Restricted Subsidiary to, engage in any business other than the business of our company and its Restricted Subsidiaries on the date of the Indenture or a Related Business.

Reports to Holders

So long as any Notes are outstanding, we will furnish to the Trustee in English (who, at our expense, will furnish by mail to holders of the Notes):

(a) within 120 days following the end of each of our fiscal years an annual report containing "Selected Historical Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" sections with scope and content substantially similar to the corresponding sections of these listing particulars (after taking into consideration any changes to our business and operations after the Issue Date), annual audited consolidated balance sheets, statements of income, statements of shareholders equity, statements of cash flows (with notes thereto) for us for the year ended and the prior fiscal year, in each case prepared in accordance with IFRS (which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the Commission) and a description of material differences, if any, between IFRS in effect for the reporting period and on the date of the Indenture;

(b) within 60 days following the end of each of the first three fiscal quarters in each of our fiscal years, quarterly reports containing unaudited consolidated financial statements for us for the quarterly period then ended and comparative unaudited consolidated financial statements for the corresponding period in the prior fiscal year, in each case prepared in accordance with IFRS (which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the Commission) and a description of material differences, if any, between IFRS in effect for the reporting period and on the date of the Indenture, together with an operating and financial review for such quarterly period; and

(c) promptly after the occurrence of any material acquisition, disposition or restructuring of the Issuer and the Restricted Subsidiaries, taken as a whole, or any change in our auditors or any other material event that we announce publicly, a report containing a description of such event.

In addition, so long as the Notes are restricted securities (as defined in Rule 144 under the Securities Act) and during any period during which we are not subject to the reporting requirements of the Exchange Act or exempt therefrom pursuant to Rule 12g3-2(b), we will furnish to any holder or beneficial owner of Notes initially offered and sold in the United States to "qualified institutional buyers" pursuant to Rule 144A, and to prospective purchasers in the United States designated by such holder or beneficial owners, upon request, the information required to be delivered pursuant to Rule 144A(d)(4).

We will also make available, and, unless amended and replaced, will not withdraw or remove, copies of all reports furnished with the Trustee and if and so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such stock exchange so require, copies of such reports furnished with the Trustee will also be made available at the specified office of the Luxembourg Paying Agent.

Restriction on Transfer of Our Assets

We will not sell, convey, transfer, swap or otherwise dispose of, directly or indirectly, in one or a series of related transactions, any of our assets or property having an aggregate Fair Market Value, together with all other such sales, conveyance, transfers, swaps or disposals since the date of the Indenture, greater than \$200.0 million to any Restricted Subsidiary that is not a Guarantor, except for sales, conveyances, transfers or other dispositions of assets made in the ordinary course of business, of assets that are obsolete or are no longer used or useful in our business, of assets in connection with any Qualified Lease Financing, of assets in connection with any Permitted Receivables Financing, of all or substantially all of our assets in accordance with "*—Consolidation, Merger and Sale of Assets*."

Consolidation, Merger and Sale of Assets

We will not, in a single transaction or through a series of transactions, consolidate with or merge with or into any Person or sell, assign, convey, transfer, lease or otherwise dispose of, or take any action pursuant to any resolution passed by our Board of Directors or shareholders with respect to a demerger or division pursuant to which we would dispose of, all or substantially all of our properties and assets to any Person or Persons (including a Restricted Subsidiary) or permit any Restricted Subsidiary to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of our properties and assets and those of our Restricted Subsidiaries on a consolidated basis to any other Person or Persons. The previous sentence will not apply if at the time of, and immediately after giving effect to, any such transaction or series of transactions:

(a) either we will be the continuing corporation or the Person (if other than us) formed by such consolidation or into which we or such Restricted Subsidiary is merged, demerged or divided, or the Person that acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all our properties and assets and those of the Restricted Subsidiaries on a consolidated basis (the "Surviving Entity");

  (i) will be a corporation duly organized and validly existing under the laws of any member state of the European Union as of the date of the Indenture, the United States of America, any state thereof, or the District of Columbia; and

  (ii) will expressly assume, by a supplemental Indenture in form satisfactory to the Trustee, our obligations under the Notes and the Indenture, and the Notes and the Indenture will remain in full force and effect as so supplemented;

(b) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating any obligation of our company or any Restricted Subsidiary Incurred in connection with or as a result of such transaction or series of transactions as having been Incurred by us or such Restricted Subsidiary at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(c) immediately before and immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (on the assumption that the transaction or series of transactions occurred on the first day of the four-quarter period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such *pro forma* calculation), either (i) we (or the Surviving Entity if we are not the continuing obligor under the Indenture) could Incur at least \$1.00 of additional Debt (other than Permitted Debt) under the provisions of the "*Limitation on Debt*" covenant or (ii) we (or the Surviving Entity if we are not the continuing obligor under the Indenture) have a Consolidated Fixed Charge Coverage Ratio equal to or greater than such ratio of our company and the Restricted Subsidiaries immediately prior to such substitution, transaction or series of transactions;

(d) if any of our or any Restricted Subsidiary's property or assets would thereupon become subject to any Lien, the provisions of the "*Limitation on Liens*" covenant are complied with; and

(e) we (or the Surviving Entity if we are not the continuing obligor under the Indenture) will have delivered to the Trustee, in form and substance satisfactory to the Trustee, an Officer's Certificate (attaching computations to demonstrate compliance with clauses (c) and (d) above) and an opinion of independent counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with and that the Indenture and the Notes constitute legal, valid and binding obligations of the continuing person, enforceable in accordance with their terms.

The Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of, our company under the Indenture, but, in the case of a lease of all or substantially all of our assets, we will not be released from the obligation to pay the principal of and interest, and Additional Amounts, if any, on the Notes.

Nothing in the Indenture will prevent any Restricted Subsidiary from consolidating with, merging into or transferring all or substantially all of its properties and assets to us or any other Restricted Subsidiary.

Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

We will publish a notice of any consolidation, merger or sale of assets described above in accordance with the provisions of the Indenture described under "*—Notices*" and, for so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and the rules of such exchange so require, notify such exchange of any such consolidation, merger or sale.

Events of Default

(1) Each of the following will be an "Event of Default" under the Indenture:

(a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Note;

(b) default in the payment of the principal of or premium, if any, on any Note at its Maturity (upon acceleration, optional or mandatory redemption, if any, required repurchase or otherwise);

(c) failure to comply with the provisions of "*—Certain Covenants—Consolidation, Merger and Sale of Assets*;"

(d) failure to make or consummate an offer in accordance with the provisions of "*—Certain Covenants—Limitation on Sale of Certain Assets*;"

(e) failure to make or consummate a Change of Control Offer in accordance with the provisions of "*—Purchase of Notes upon a Change of Control*;"

(f) failure to comply with any covenant or agreement of ours or of any Restricted Subsidiary that is contained in the Indenture (other than the failure to comply with any of the covenants and agreements specified in clause (a), (b), (c), (d) or (e) above) and such failure continues for a period of 60 days or more after the written notice specified in clause (2) below;

(g) default under the terms of any instrument evidencing or securing our Debt or Debt of any Restricted Subsidiary having an outstanding principal amount in excess of $50.0 million individually that results in the acceleration of the payment of such Debt or constitutes the failure to pay such Debt at final maturity thereof (other than by regularly scheduled required prepayment) and such failure to make any payment has not been waived or the maturity of such Debt has not been extended, and in either case the total amount of such Debt unpaid or accelerated exceeds $50.0 million or its equivalent at the time (other than, in any such case, a Contested Breach);

(h) one or more final judgments, orders or decrees (not subject to appeal and not covered by insurance) shall be rendered against us or any Restricted Subsidiary, individually in an amount, after deduction of any proceeds received from insurance coverage of such matter, in excess of $50.0 million, and shall not have been discharged and there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree was not (by reason of pending appeal or otherwise) in effect; or

(i) the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to us or any Restricted Subsidiary that is a Significant Subsidiary.

(2) If an Event of Default (other than as specified in clause (1)(i) above) occurs and is continuing, the holders of not less than 25% in aggregate principal amount of the Notes then outstanding by written notice to us and to the Trustee may, and the Trustee, upon the written request of such holders, shall, declare the principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on all of the outstanding Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes will become immediately due and payable.

(3) If an Event of Default specified in clause (1)(i) above occurs and is continuing, then the principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on all of the outstanding Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes.

(4) At any time after a declaration of acceleration under the Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to us and the Trustee, may rescind such declaration and its consequences if:

(a) we have paid or deposited with the Trustee a sum sufficient to pay:

(i) all overdue interest and Additional Amounts on all Notes then outstanding;

(ii) all unpaid principal of and premium (if any) on any outstanding Notes that have become due otherwise than by such declaration of acceleration and accrued and unpaid interest thereon at the rate borne by the Notes;

(iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes; and

(iv) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of amounts of principal of, premium (if any) and any Additional Amounts and interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(5) The holders of not less than a majority in aggregate principal amount of the outstanding Notes may, on behalf of the holders of all the Notes, waive any existing Defaults or Events of Default under the Indenture, except a default:

(a) in the payment of the principal of, premium, if any, and Additional Amounts or interest on any Note; or

(c) in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Note outstanding.

(6) No holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder, unless the holders of at least 25% in aggregate principal amount of the outstanding Notes have made a written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as Trustee under the Notes and the Indenture, the Trustee has failed to institute such proceeding within 30 days after receipt of such notice and the Trustee within such 30-day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

(7) If a Default or an Event of Default occurs and is continuing and notice of such Event of Default has been delivered to the corporate trust office of the Trustee, the Trustee will mail to each holder of the Notes notice of the Default or Event of Default within 15 Business Days after its occurrence or receipt of notice by the Trustee, whichever is later.

(8) We are required to furnish to the Trustee annual statements as to our performance, and the performance of any Restricted Subsidiaries of our respective obligations under the Indenture and as to any default in such performance. We are also required to notify the Trustee (in compliance with the notice provisions of the Indenture) within 30 business days of our knowledge of the occurrence of any Default.

Legal Defeasance or Covenant Defeasance of Indenture

The Indenture will provide that we may, at our option and at any time prior to the Stated Maturity of the Notes, elect to have our obligations discharged with respect to the outstanding Notes ("legal defeasance"). Legal defeasance means that we will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes except as to:

(a) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due,

(b) our obligations to issue temporary Notes, register the transfer or exchange of any Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments in trust,

(c) the rights, powers, trusts, duties and immunities of the Trustee and our obligations in connection therewith, and

(d) the legal defeasance provisions of the Indenture.

In addition, we may, at our option and at any time, elect to have our obligations released with respect to certain covenants set forth in the Indenture ("covenant defeasance"), and thereafter any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to the Notes. In the event covenant defeasance occurs, certain events described under "Events of Default" will no longer constitute an Event of Default with respect to the Notes. These events do not include events relating to non-payment, bankruptcy, receivership and insolvency. We may exercise our legal defeasance option regardless of whether we previously exercised covenant defeasance.

In order to exercise either legal defeasance or covenant defeasance:

(a) We must irrevocably deposit or cause to be deposited in trust by 10:00 a.m. at least one Business Day before the required payment with the Trustee for the benefit of the holders of the Notes, cash in euro, European Government Obligations denominated in euro or a combination thereof in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of, premium, if any, and interest, on the outstanding Notes on the Stated Maturity, if, at or prior to electing either legal defeasance or covenant defeasance, we must have delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes of such principal, premium, if any, or installment of interest;

(b) in the case of legal defeasance, we must have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee stating that (x) we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (y) since the date of the Indenture, there has been a change in applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(c) in the case of legal defeasance, we must have delivered to the Trustee an opinion of counsel to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes of any Relevant Taxing Jurisdiction as a result of such legal defeasance and will be subject to tax in each Relevant Taxing Jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(d) in the case of covenant defeasance, we must have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee to the effect that the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(e) in the case of covenant defeasance, we must have delivered to the Trustee an opinion of counsel to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes of any Relevant Taxing Jurisdiction as a result of such covenant defeasance and will be subject to tax of any Relevant Taxing Jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(f) no Default or Event of Default will have occurred and be continuing on the date of such deposit or, insofar as bankruptcy or insolvency events described in clause (1)(j) of "*—Events of Default*" above are concerned, at any time during the period ending on the 123rd day after the date of such deposit;

(g) such legal defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit), the Indenture or any material agreement or instrument to which we or any Restricted Subsidiary is a party or by which we or any Restricted Subsidiary is bound;

(h) we must have delivered to the Trustee an opinion of independent counsel in the country of our incorporation to the effect that after the 123rd day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and an opinion of independent counsel that the Trustee shall have a perfected security interest in such trust funds for the ratable benefit of the holders of the Notes;

(i) we must have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by us with the intent of preferring the holders of the Notes with the intent of defeating, hindering, delaying or defrauding our creditors or others, or removing its assets beyond the reach of its creditors or increasing our debts to the detriment of our creditors;

(j) no event or condition shall exist that would prevent us from making payments of the principal of, premium, if any, and interest on the Notes on the date of such deposit or at any time ending on the 123rd day after the date of such deposit; and

(k) we will have delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent provided for in the Indenture relating to either the legal defeasance or the covenant defeasance, as the case may be, have been complied with.

If the funds deposited with the Trustee to effect covenant defeasance are insufficient to pay the principal of, premium, if any, and interest on the Notes when due because of any acceleration occurring after an Event of Default, then we will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes and our obligations with respect to Additional Amounts as expressly provided for in the Indenture) when:

(a) we have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose solely for the benefit of the holders of the Notes an amount in euro or European Government Obligations denominated in euro sufficient to pay and discharge the entire Debt on such Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or redemption date, as the case may be and we have delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of Notes at Maturity or on the redemption date, as the case may be and either:

    (i) all the Notes theretofore authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by us and thereafter repaid to us or discharged from such trust as provided for in the Indenture) have been delivered to the Trustee for cancellation; or

    (ii) all Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable, (y) will become due and payable at Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements for the giving of notice of redemption by the Trustee in our name, and at our expense; and

(b) we have paid or caused to be paid all sums payable by us under the Indenture; and

(c) we have delivered to the Trustee an Officer's Certificate stating that:

    (i) all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; and

    (ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture or any other agreement or instrument to which we or any Subsidiary is a party or by which we or any Subsidiary is bound.

Amendments and Waivers

The Indenture will contain provisions permitting us, any Guarantor of the Notes and the Trustee to enter into a supplemental Indenture without the consent of the holders of the Notes for certain limited purposes, including, among other things, curing ambiguities, defects or inconsistencies or making any change that does not adversely affect the rights of any holder of the Notes in any material respect. With the consent of the holders of not less than a majority in aggregate principal amount of the Notes then outstanding, we, any Guarantor of the Notes and the Trustee are permitted to amend or supplement the Indenture; *provided* that no such modification or amendment may, without the consent of the holders of at least 90% of the outstanding Notes affected thereby:

(a) change the Stated Maturity of the principal of, or any installment of, or Additional Amounts or interest on, any Note;

(b) reduce the principal amount of any Note (or Additional Amounts or premium, if any) or the rate of interest on any Note;

(c) change the coin or currency in which the principal of any Note or any premium or any Additional Amounts or the interest thereon is payable;

(d) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date or Change of Control Purchase Date, in the case of a Change of Control Offer);

(e) amend, change or modify our obligation to make and consummate an Excess Proceeds Offer with respect to any Asset Sale in accordance with the "Limitation on Sale of Certain Assets" covenant or our obligation to make and consummate a Change of Control offer in the event of a Change of Control in accordance with the provisions under "*Purchase of Notes upon a Change of Control*," including in each case, amending, changing or modifying any definition relating thereto after such obligation has arisen;

(f) reduce the percentage in principal amount of Notes whose holders must consent to any amendment, supplement or waiver of provisions of the Indenture;

(g) make any change to the provisions of the Indenture described under "*—Ranking*" or any other provisions of the Indenture affecting the ranking of the Notes, in each case in a manner that adversely affects the rights of the holders of the Notes; or

(h) make any change in the provisions of the Indenture described under "*—Additional Amounts*" that adversely affects the rights of any holder of the Notes or amend the terms of the Notes or the Indenture in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless we agree to pay Additional Amounts (if any) in respect thereof in the supplemental Indenture.

Notwithstanding the foregoing, without the consent of any holder of the Notes, we, any Guarantor of the Notes and the Trustee may modify or amend the Indenture:

(i) to evidence the succession of another Person to our company and the assumption by any such successor of the covenants in the Indenture and in the Notes in accordance with "*—Certain Covenants—Consolidation, Merger and Sale of Assets*;"

(ii) to add to our covenants or to add any other obligor under the Notes for the benefit of the holders of the Notes or to surrender any right or power conferred upon us or any other obligor under the Notes, as applicable, in the Indenture or in the Notes;

(iii) to cure any ambiguity, or to correct or supplement any provision in the Indenture or the Notes that may be defective or otherwise inconsistent with any other provision in the Indenture or the Notes or make any other provisions with respect to matters or questions arising under the Indenture or the Notes; *provided* that, in each case, such provisions shall not adversely affect the interest of the holders of the Notes in any material respect;

(iv) to add a Guarantor;

(v) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture;

(vi) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the holders of the Notes as additional security for the payment and performance of our or any Guarantor's obligations under the Indenture, in any property, or assets, including any that are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to the Indenture or otherwise; or

(vii) to conform the text of the Indenture or the Notes to any provision of this "Description of Notes" to the extent that such provision in this "Description of Notes" was intended to be a verbatim recitation of a provision of the Indenture or Notes.

The Issuer shall be permitted to add and remove Guarantors subject to and in accordance with the provisions of the Indenture. For the avoidance of doubt, the Issuer will be permitted after the Issue Date to cause additional Restricted Subsidiaries to become Guarantors under the Indenture even if such Restricted Subsidiaries are not required at such time to become Guarantors pursuant to the covenant described under "*—Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries*" (such Guarantors "Optional Guarantors"). The Issuer will be entitled to release any such Optional Guarantor from its Guarantee obligations provided (x) no Event of Default would result from such release and (y) such Optional Guarantor is not at the time of the proposed release otherwise required to be a Guarantor pursuant to the covenant under "*—Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries*." Upon any release of a Guarantee contemplated under the "*—Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries*" section, the Trustee shall execute any documents required in order to evidence such release, discharge and termination in respect of such Guarantee.

The holders of a majority in aggregate principal amount of the Notes outstanding may waive compliance with certain restrictive covenants and provisions of the Indenture.

Notices

Notices regarding the Notes will be:

(a) notified to the Trustee and, if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, published in the *Luxemburger Wort* (or another leading newspaper having a general circulation in Luxembourg) or the website of the Luxembourg Stock Exchange; and

(b) in the case of certificated Notes, mailed to holders of such Notes by first-class mail at their respective addresses as they appear on the registration books of the registrar.

Notices given by first-class mail will be deemed given five calendar days after mailing and notices given by publication will be deemed given on the first date on which publication is made.

If and so long as the Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange.

The Trustee

The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. If an Event of Default has occurred and is continuing, the Trustee, at the direction of holders of not less than 25% in aggregate principal amount of the Notes then outstanding, will exercise such rights and powers vested in it under the Indenture.

The Trustee will be entitled to require all Paying Agents to act under its direction following the occurrence of an Event of Default. The Indenture will contain provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless secured and/or indemnified to its satisfaction.

The Issuer and the Guarantors will jointly and severally indemnify the Trustee for certain claims, liabilities and expenses incurred without gross negligence or willful misconduct on its part, arising out of or in connection with the performance of its duties.

Governing Law

The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Certain Definitions

Certain terms used in this Description of Notes are defined as follows:

"Acquired Debt" means Debt of a Person

(a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with us or any of the Restricted Subsidiaries; or

(b) assumed in connection with the acquisition of assets from such Person, in each case *provided* that such Debt was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be.

Acquired Debt will be deemed to be Incurred on the date the acquired Person becomes a Restricted Subsidiary or the date of the related acquisition of assets from any Person, as the case may be.

"Additional Yildirim ORA" means the 528,918 subordinated bonds mandatorily convertible into preference shares of the Company issued by the Company to Yildirim Asset Management Holding BV on January 31, 2013.

"Affiliate" means, with respect to any specified Person,

(a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person;

(b) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Capital Stock or any officer or director of any such specified Person or other Person or, with respect to any natural Person, any Person having a relationship with such Person by blood, marriage or adoption not more remote than first cousin; or

(c) any other Person 10% or more of the Voting Stock of which is beneficially owned or held, directly or indirectly by such specified Person.

For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling," "controlled" have meanings correlative to the foregoing.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or Sale and Leaseback Transaction) (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares and, to the extent required by local ownership laws in foreign countries, shares owned by foreign shareholders);

(b) all or substantially all of the properties and assets of any division or line of our or any Restricted Subsidiary's business; or

(c) any other of our or any Restricted Subsidiary's properties or assets, other than in the ordinary course of business.

For the purposes of this definition, the term "Asset Sale" does not include any transfer of properties or assets:

(i) that is governed by the provisions of the Indenture described under "*—Certain Covenants—Consolidation, Merger and Sale of Assets*" or "*Purchase of Notes upon a Change of Control*;"

(ii) by us to any Restricted Subsidiary, or by any Restricted Subsidiary to us or any Restricted Subsidiary in accordance with the terms of the Indenture;

(iii) any assets representing ships, equipment and facilities that are no longer useful in the conduct of our and any Restricted Subsidiary's business and that are disposed of in the ordinary course of business;

(iv) that constitutes an Asset Swap effected in compliance with "*—Certain Covenants—Limitation on Sale of Certain Assets*;"

(v) the Fair Market Value of which in the aggregate does not exceed \$50.0 million in any transaction or series of related transactions;

(vi) for purposes of "*—Certain Covenants—Limitation on Sale of Certain Assets*" only, the making of a Permitted Investment or a disposition subject to "*—Certain Covenants—Limitation on Restricted Payments*;"

(vii) that is a disposition constituting or resulting from the enforcement of a Lien or the liquidation, administration or winding up of a Restricted Subsidiary;

(viii) that is a sale or disposition deemed to occur in connection with granting or creating a Permitted Lien;

(ix) that is a disposition of Capital Stock, Debt or other securities of an Unrestricted Subsidiary;

(x) that is a sale of cash or Cash Equivalents;

(xi) that constitutes a sale or disposition of assets received by the Company or any Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Company or any Restricted Subsidiary;

(xii) that is a sale and leaseback transaction, in compliance with "*—Certain Covenants—Limitation on Sale and Leaseback Transactions*," with respect to any assets within 90 days of the acquisition of such assets;

(xiii) that is a disposition of accounts receivable and related assets in a Permitted Receivables Financing; or

(xiv) that is a Vessel Sharing Arrangement.

"Asset Swap" means the concurrent purchase and sale or exchange of Related Business Assets between us or any Restricted Subsidiary and another Person (other than a sale, disposition or transfer that is governed by the provisions of the Indenture described under "*—Certain Covenants—Consolidation, Merger and Sale of Assets*"); *provided* that Vessel Sharing Arrangements shall not be considered Asset Swaps.

"Attributable Debt" means, with respect to any lease at the time of determination, the present value (discounted at the interest rate implicit in the lease determined in accordance with IFRS or, if not known, at our incremental borrowing rate) of the obligations of the lessee of the property subject to such lease for rental payments during the remaining term of the lease included in such transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended, or until the earliest date on which the lessee may terminate such lease without penalty or upon payment of penalty (in which case the rental payments shall include such penalty), after excluding from such rental payments all amounts required to be paid on account of maintenance and repairs, ship operating expenses, insurance, taxes, assessments, water, utilities and similar charges.

"Average Life" means, as of the date of determination with respect to any Debt, the quotient obtained by dividing

(a) the sum of the products of:

  (i) the number of years (calculated to the nearest one-twelfth) from the date of determination to the date or dates of each successive scheduled principal payment of such Debt multiplied by

  (ii) the amount of each such principal payment; by

(b) the sum of all such principal payments.

"Board of Directors" means the board of directors (*Conseil d'administration*) of the Company, provided, that where any action is provided to be or may be taken by the board of directors, such action may be taken by the *Directeur général* of the Company to the extent generally authorized by the board of directors to take such action.

"Bund Rate" means, as of any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(1) "Comparable German Bund Issue" means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to December 15, 2015 and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to December 15, 2015; *provided, however*, that, if the period from such redemption date to December 15, 2015 is less than one year, a fixed maturity of one year shall be used;

(2) "Comparable German Bund Price" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "Reference German Bund Dealer" means any dealer of German *Bundesanleihe* securities appointed by the Issuer in good faith; and

(4) "Reference German Bund Dealer Quotations" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany, time on the third Business Day preceding the relevant date.

"Business Day" means any day (other than a Saturday or Sunday) that is not a day on which banking institutions in the cities of London, England, New York, New York and Paris, France are authorized or obligated by law to close for business.

"Capital Stock" means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets, of such Person and any rights (other than debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into such Capital Stock, whether now outstanding or issued after the date of the Indenture; *provided* that Capital Stock shall not include the preference shares of the Company issuable upon conversion of the ORA.

"Capitalized Lease Obligation" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a capital lease obligation under IFRS, and, for purposes of the Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty. Any reference to any Capitalized Lease Obligation will include (i) any put or call option or charter arrangements entered into by us, any Restricted Subsidiary or the lessor under such Capitalized Lease Obligation in connection with such Capitalized Lease Obligation and (ii) any Qualified Lease Financing.

"Cash Equivalents" means any of the following:

(a) any evidence of Debt denominated in euro or dollars with a maturity of 180 days or less from the date of acquisition issued or directly and fully guaranteed or insured by any member state of the European Union as of the date of the Indenture, the United States of America, any state thereof or the District of Columbia, or any agency or instrumentality thereof (each, an "Approved Jurisdiction");

(b) overnight bank deposits, time deposit accounts, certificates of deposit, money market deposits or bankers' acceptances denominated in euro or dollars with a maturity of 180 days or less from the date of acquisition of a bank or trust company organized in any member state of the European Union or any commercial banking institution that is a member of the U.S. Federal Reserve System, in each case having combined capital and surplus and undivided profits of not less than €500.0 million, whose debt has a rating, at the time as any investment is made therein, of at least A by S&P and at least A2 by Moody's;

(c) commercial paper with a maturity of 180 days or less from the date of acquisition issued by a corporation that is not our or any Restricted Subsidiary's Affiliate and is organized under the laws of any member state of the European Union as of the date of the Indenture, the United States of America, any state thereof, or the District of Columbia and, at the time the investment is made, rated at least A-1 by S&P or at least P-l by Moody's;

(d) repurchase obligations with a term of not more than seven days for underlying securities of the type described in (a) above entered into with a financial institution meeting the qualifications described in clause (b) above; and

(e) Investments in money market mutual funds at least 95% of the assets of which constitute Cash Equivalents of the kind described in clauses (a) through (d) above.

"Change of Control" has the meaning given to such term under "*—Purchase of Notes upon a Change of Control*."

"Commission" means the U.S. Securities and Exchange Commission.

"Consolidated Adjusted Net Income" means, for any period, the net income (or loss) of the Issuer and its Restricted Subsidiaries for such period as determined in accordance with IFRS and on a consolidated basis, adjusted by excluding (to the extent included in such consolidated net income or loss), without duplication:

(a) any net after-tax extraordinary gains or losses;

(b) any net after-tax gains or losses attributable to asset sales made other than in the ordinary course of business;

(c) the portion of net income or loss of any Person (other than us or a Restricted Subsidiary), including Unrestricted Subsidiaries on a consolidated basis, in which we have, or any Restricted Subsidiary has, an equity ownership interest, other than the amount of dividends or other distributions and of management or other similar fees actually paid to us or any Restricted Subsidiary in cash during such period, *provided* that our equity in a net loss of any such Person shall be included in Consolidated Adjusted Net Income to the extent funded by us or a Restricted Subsidiary;

(d) solely for purposes of determining compliance with the covenant described under "*—Certain Covenants—Restricted Payments*," the net income or loss of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions, directly or indirectly, to us, by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders, other than those restrictions (i) in effect on the Issue Date, (ii) which, when taken as a whole, are not materially less favorable to the holders of the Notes than those restrictions in effect on the Issue Date, (iii) that would be permitted under clauses (a), (c), (l) and (o) of paragraph 2 of the "Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries" covenant or in any agreement that Refinances the agreements containing the restrictions in such clauses (a), (c), (l) and (o) or (iv) pursuant to applicable law, rule, regulation, or order or governmental licenses, concessions, franchises or permits, except that:

    (i) our equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Adjusted Net Income up to the aggregate amount of cash distributed by such Restricted Subsidiary during such period to us or another Restricted Subsidiary as a dividend, management or other similar fees or any other distribution (subject, in the case of a dividend or other distribution to another Restricted Subsidiary to the limitation contained in this clause); and

    (ii) our equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Adjusted Net Income to the extent funded by us or another Restricted Subsidiary;

(e) net after-tax gains or losses attributable to the termination of any employee pension benefit plan;

(f) any restoration to net income of any contingency reserve, except to the extent provision for such reserve was made out of income accrued at any time following the date of the Indenture;

(g) any net gain arising from the acquisition or extinguishment, under IFRS, of our or any Restricted Subsidiary's Debt by the issuer of such Debt;

(h) the net income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued), except that any such net loss may be excluded only after the date of the actual disposal of such operations;

(i) any unrealized gains or losses from Currency Agreements;

(j) any increase in amortization or depreciation resulting from the application of purchase accounting;

(k) the cumulative effect of a change in accounting principles after the date of the Indenture;

(l) any net after-tax gains or losses attributable to allowances or reversals of allowances related to the impairment of vessels or containers to the extent allocated to the caption "Other income (expense)" or other similar caption appearing on our income statement; and

(m) any capitalized interest and non-cash interest expense on Subordinated Shareholder Debt.

"Consolidated Fixed Charge Coverage Ratio" of our company means, for any period, the ratio of:

(a) the sum of Consolidated Adjusted Net Income, plus in each case to the extent excluded in computing Consolidated Adjusted Net Income for such period:

(i) Consolidated Interest Expense;

(ii) Consolidated Tax Expense;

(iii) Consolidated Non-cash Charges, less all non-cash items increasing Consolidated Adjusted Net Income for such period and less all cash payments during such period relating to non-cash charges that were added back to Consolidated Adjusted Net Income in determining the Consolidated Fixed Charge Coverage Ratio in any prior period;

(iv) Restructuring Charges; and

(v) expenses related to proposed or consummated equity offerings, debt incurrences, acquisitions, investments, dispositions, recapitalizations and the issuance of the Notes offered hereby;

(b) to the sum of:

(i) Consolidated Interest Expense; and

(ii) cash and non-cash dividends due (whether or not declared) on our and any Restricted Subsidiary's Preferred Stock (to any Person other than us and any Wholly Owned Restricted Subsidiary), in each case for such period;

provided that in calculating the Consolidated Fixed Charge Coverage Ratio or any element thereof for any period, *pro forma* calculations will be made in good faith by a responsible financial or accounting officer of the Issuer (including any *pro forma* cost reduction synergies that have occurred or are reasonably expected to occur, in the good faith judgment of the chief executive officer, chief financial officer or any person performing a similarly senior accounting role of the Issuer (regardless of whether these cost reduction synergies could then be reflected in *pro forma* financial statements)); and *provided, further,* that:

(w) if we or any Restricted Subsidiary shall have Incurred any Debt since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio is an Incurrence of Debt or both, Consolidated Adjusted Net Income and Consolidated Interest Expense for such period shall be calculated after giving effect on a *pro forma* basis to such Debt as if such Debt had been Incurred on the first day of such period and the discharge of any other Debt repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Debt as if such discharge had occurred on the first day of such period *provided further* that the *pro forma* calculation of Consolidated Fixed Charge Coverage Ratio shall not give effect to (i) any Debt Incurred on the date of determination pursuant to the provisions described in paragraph (2) of the covenant "*—Certain Covenants—Limitation on Debt*" (other than Debt Incurred under clause (s)(ii)(x) thereof, which shall be included in such *pro forma* calculation) or (ii) the discharge on the date of determination of any Debt to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in paragraph (2) of the covenant "*—Certain Covenants—Limitation on Debt*;"

(x) if, since the beginning of such period, we or any Restricted Subsidiary shall have made any Asset Sale other than in the ordinary course of business, Consolidated Adjusted Net Income for such period shall be reduced by an amount equal to Consolidated Adjusted Net Income (if positive) directly attributable to the assets that are the subject of such Asset Sale for such period, or increased by an amount equal to Consolidated Adjusted Net Income (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to Consolidated Interest Expenses directly attributable to any Debt of ours or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to us and the continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, Consolidated Interest Expense for such period directly attributable to the Debt of such Restricted Subsidiary to the extent we and the continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);

(y) if, since the beginning of such period we or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated Adjusted Net Income and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Debt) as if such Investment or acquisition occurred on the first day of such period; and

(z) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into us or any Restricted Subsidiary) shall have made any Asset Sale other than in the ordinary course of business or any Investment that would have required an adjustment pursuant to clause (x) or (y) if made by us or a Restricted Subsidiary during such period, Consolidated Adjusted Net Income and Consolidated Interest Expenses for such period will be calculated after giving *pro forma* effect thereto as if such Asset Sale or Investment occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any calculation under this definition, the *pro forma* calculations will be determined in good faith by a responsible financial officer or accounting officer of the Company.

If any Debt bears interest at a floating rate and is being given *pro forma* effect, the interest expense in respect of such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt for a period equal to the remaining term of such Interest Rate Agreement).

"Consolidated Interest Expense" means, for any period, without duplication and in each case determined on a consolidated basis in accordance with IFRS, the sum of:

(a) our and the Restricted Subsidiaries' interest expense (net of interest income) for such period (for the avoidance of doubt, the entire amount of interest expense and dividends under the ORA will be treated as interest expense), excluding amortization or write off of debt issuance costs and deferred financing fees, commissions and expenses, but including, without limitation,

  (i) amortization of debt discount;

  (ii) the net cost of Interest Rate Agreements and Currency Agreements (including amortization of discounts);

  (iii) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and similar transactions; and

  (iv) the interest portion of any deferred payment obligation; plus

(b) the interest component of our and the Restricted Subsidiaries' Capitalized Lease Obligations accrued and/or scheduled to be paid or accrued during such period which, for the avoidance of doubt, shall not include time charters or bareboat charters; plus

(c) our and the Restricted Subsidiaries' non-cash interest and interest that was capitalized (excluding any capitalized non-cash interest expense on Subordinated Shareholder Debt) during such period; plus

(d) the interest on Debt of another Person that is guaranteed by us or any Restricted Subsidiary or secured by a Lien on our or any Restricted Subsidiary's assets, whether or not such interest is paid by us or such Restricted Subsidiary.

"Consolidated Leverage" means, with respect to any Person, the sum of the aggregate outstanding Debt of that Person and its Restricted Subsidiaries (excluding Subordinated Funding) and the aggregate liquidation preference of any preferred equity issued by a Restricted Subsidiary, less cash and Cash Equivalents, in each case, as of the relevant date of calculation and as determined on a consolidated basis.

"Consolidated Leverage Ratio" of the Issuer means, as of the date of determination, the ratio of (a) our Consolidated Leverage to (b) our aggregate Consolidated Adjusted Net Income for the period of the most recent four consecutive quarters for which financial statements are available; *provided* that in calculating the Consolidated Leverage Ratio or any element thereof for any period, *pro forma* calculations will be made in good faith by a responsible financial or accounting officer of the Issuer (including any *pro forma* cost reduction synergies that have occurred or are reasonably expected to occur, in the good faith judgment of the chief executive officer, chief financial officer or any person performing a similarly senior accounting role of the Issuer (regardless of whether these cost reduction synergies could then be reflected in *pro forma* financial statements)); *provided, further*, that for purposes of calculating the Consolidated Adjusted Net Income for such period, if, as of such determination:

(a) we or any Restricted Subsidiary shall have Incurred any Debt since the beginning of such period that remains outstanding, Consolidated Adjusted Net Income for such period shall be calculated after giving effect on a *pro forma* basis to such Debt as if such Debt had been Incurred on the first day of such period and the discharge of any other Debt repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Debt as if such discharge had occurred on the first day of such period;

(b) since the beginning of such period such Person or any Restricted Subsidiary thereof shall have made any Asset Sale Consolidated Adjusted Net Income for such period will be reduced by an amount equal to the Consolidated Adjusted Net Income (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period or increased by an amount equal to the Consolidated Adjusted Net Income (if negative) directly attributable thereto for such period;

(c) since the beginning of such period we or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated Adjusted Net Income for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Debt) as if such Investment or acquisition occurred on the first day of such period; and

(d) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into us or any Restricted Subsidiary) shall have made any Asset Sale other than in the ordinary course of business or any Investment that would have required an adjustment pursuant to clause (b) or (c) if made by us or a Restricted Subsidiary during such period, Consolidated Adjusted Net Income for such period will be calculated after giving *pro forma* effect thereto as if such Asset Sale or Investment occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any calculation under this definition, the *pro forma* calculations will be determined in good faith by a responsible financial officer or accounting officer of the Company.

"Consolidated Non-cash Charges" means, for any period, the aggregate depreciation, amortization and other non-cash expenses of our company and the Restricted Subsidiaries for such period, determined in accordance with IFRS and on a consolidated basis (excluding any such non-cash charge that requires an accrual of or reserve for cash charges for any future period).

"Consolidated Tax Expense" means, for any period with respect to any Relevant Taxing Jurisdiction, the provision for all national, local and foreign federal, state or other income taxes of our company and the Restricted Subsidiaries for such period as determined in accordance with IFRS and on a consolidated basis.

"Consolidated Total Assets" means the total assets of the Issuer and its Restricted Subsidiaries determined in accordance with IFRS and on a consolidated basis, as of the date of the most recent consolidated balance sheet of the Issuer.

"Contested Breach" means any time where the Company has received notification from the ORA holders of a material breach of the Shareholders Agreement by the Company (an "ORA Material Breach") and the Company promptly notifies the ORA holders in writing that it contests any such ORA Material Breach in good faith and on reasonable grounds (after taking legal advice if necessary), where necessary by appropriate court or arbitral proceedings and maintains adequate reserves in respect of any cash redemption or other repurchase of the ORA as may be required by applicable accounting standards, provided always that it will cease to qualify as a Contested Breach if at any time:

(a) (x) the Company acknowledges that there has been a material breach by it of the Shareholders Agreement or (y) the Company ceases to diligently contest any such ORA Material Breach in good faith and on reasonable grounds;

(b) a court judgment or arbitral award is made or entered against the Company in respect of such ORA Material Breach; or

(c) the Company agrees to settle any such alleged ORA Material Breach in consideration of a monetary payment in an amount exceeding $5.0 million (or equivalent in other currencies) to the ORA holders.

"Credit Facility" or "Credit Facilities" means one or more debt facilities (including the Existing Credit Facility) or commercial paper facilities with banks, insurance companies or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables) notes, letters of credit or other forms of guarantees and assurances or other credit facilities, including overdrafts, notes facilities or indentures, in each case, as Refinanced in whole or in part from time to time.

"Currency Agreements" means any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect against or manage exposure to fluctuations in foreign currency exchange rates.

"Debt" means, with respect to any Person, without duplication:

(a) all liabilities of such Person for borrowed money (including overdrafts) or for the deferred purchase price of property or services, which purchase price is payable more than 180 days after the date of taking delivery and title of such property or receiving full performance of such services, excluding any trade payables and other accrued current liabilities Incurred in the ordinary course of business;

(b) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all obligations, contingent or otherwise, of such Person in connection with any letters of credit, bankers' acceptances or other similar facilities;

(d) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business;

(e) all Capitalized Lease Obligations of such Person;

(f) all obligations of such Person under or in respect of Interest Rate Agreements, Currency Agreements or Fuel Hedging Agreements;

(g) all Debt referred to in (but not excluded from) the preceding clauses (a) through (f) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the obligation so secured);

(h) all guarantees by such Person of Debt referred to in this definition of any other Person;

(i) all Redeemable Capital Stock of such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends;

(j) Preferred Stock of any Restricted Subsidiary; and

(k) the aggregate principal amount of ORA,

if and to the extent any of the preceding items (other than obligations described under clauses (d), (f), (g), (h), (i), (j) and (k)) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS; and *provided* that the term "Debt" shall not include (i) non-interest bearing installment obligations and accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due, (ii) Debt Incurred by us or any Restricted Subsidiary in respect of standby letters of credit, performance bonds or surety bonds provided by us or any Restricted Subsidiary in the ordinary course of business to the extent that such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the fifth business day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond, (iii) anything accounted for as an operating lease in accordance with IFRS as at the date of the Indenture, (iv) any pension obligations of ours or any Restricted Subsidiary, (v) Debt represented by a debit balance at a bank, trust company or other commercial banking institution that is organized in any member state of the European Union as of the date of the Indenture, or any commercial banking institution that is a member of the U.S. Federal Reserve System, in each case having a combined capital and surplus and undivided profits of not less than €500.0 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A by S&P and A2 by Moody's to the extent of any credit balance held in an account at the same bank, trust company or other commercial banking institution in the same or another currency; *provided* that the debit and credit balances are set off pursuant to an express agreement with such bank, trust company or other commercial banking institution, or (vi) Subordinated Shareholder Debt.

For purposes of this definition, the "maximum fixed repurchase price" of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Debt will be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock; *provided* that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Disinterested Director" means, with respect to any transaction or series of related transactions, a member of the Board of Directors of the Company who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Company shall not be deemed to have such a financial interest by reason of such member's holding Capital Stock of the Company or any options, warrants or other rights in respect of such Capital Stock.

"dollars" or "$" means the lawful currency of the United States of America.

"Dollar Equivalent" means with respect to any monetary amount in a currency other than dollars, at any time for the determination thereof, the amount of dollars obtained by converting such foreign currency into dollars at the spot rate for the purchase of dollars with such foreign currency as published under "Currency Rates" in the section of the *Financial Times* entitled "Currencies, Interest Rates & Bonds" (or as renamed by the *Financial Times* from time to time) on the date two Business Days prior to such determination.

"Equity Offering" means any Public Equity Offering or private offer and sale of Capital Stock (which is Qualified Capital Stock) of the Issuer or any direct or indirect parent holding company of the Issuer with gross proceeds to the Issuer of at least $50.0 million (including any sale of Qualified Capital Stock purchased upon the exercise of any over-allotment option granted in connection therewith).

"euro" or "€" means the lawful currency of the member states of the European Union who have agreed to share a common currency in accordance with the provisions of the Maastricht Treaty dealing with European monetary union.

"European Government Obligations" means direct obligations of, or obligations guaranteed by, a member state of the European Union (other than Greece, Ireland and Portugal) as in effect on December 3, 2003, and the payment for which such member state of the European Union pledges its full faith and credit.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Existing Credit Facilities" means the term loan facility granted to the company under a facility agreement dated February 11, 2013 between the company, Natixis as facility agent and the lenders party thereto (the "Existing Term Loan") to the extent outstanding on the date of the Indenture immediately prior to giving effect to any prepayments as described in "*Use of Proceeds*", the Refinancing Term Loan Facility (but solely to the extent it refinances the Existing Term Loan), the credit facility dated December 13, 2006 between SCI Tour d'Arenc as borrower and Société Générale as agent in an original principal amount of €200 million to the extent outstanding on the date of the Indenture and certain credit facilities and Capitalized Lease Obligations entered into by us and our Restricted Subsidiaries up to a maximum aggregate amount outstanding of $75 million on the date of the Indenture.

"Existing Notes" means, collectively, the $475 million 8.5% Senior Notes due 2017 and €325 million Senior Notes due 2019 issued by the Company on April 21, 2011.

"Existing Notes Indentures" means the indentures dated as of April 21, 2011 between, among others, us and The Bank of New York Mellon, London Branch, as trustee.

"Existing Notes Issue Date" means April 21, 2011.

"Fair Market Value" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by a responsible financial or accounting officer or senior management of the Company, and

(a) for property or assets so determined to have a fair market value in excess of $10.0 million, as set forth in an Officer's Certificate; or

(b) for property or assets so determined to have a fair market value in excess of $50.0 million, as set forth in a resolution approved by at least a majority of our Board of Directors or by the board of directors, as applicable, of the applicable Restricted Subsidiary, and as attached to an Officer's Certificate;

provided that, solely for the purposes of clause (b) of the definition of "Permitted Debt," for port terminal and logistics assets so determined to have a Fair Market Value exceeding $100.0 million, we will deliver to the Trustee a written opinion of an investment banking firm of international standing (or, if an investment banking firm is generally not qualified to give such an opinion, by an internationally recognized appraisal firm or accounting firm) stating that the transaction or series of transactions taken as a whole is fair to us from a financial point of view.

"Fitch" means Fitch Ratings Ltd. and its successors.

"FSI" means the *Banque Publique d'Investissement* (formerly known as the *Fonds Stratégique d'Investissement*).

"FSI ORA" means the 793,378 12% subordinated bonds mandatorily convertible into ordinary shares of the Company issued by the Company pursuant to that certain investment agreement dated February 6, 2013 among Merit Corporation SAL, the FSI and the Company and a shareholders' agreement dated June 28, 2013, among the same parties.

"Fuel Hedging Agreements" means any spot, forward or option fuel price protection agreements and other types of fuel hedging agreements designed to protect against or manage exposure to fluctuations in fuel prices.

"guarantees" means, as applied to any obligation,

(a) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

"Guarantor" means any Person that is a guarantor of the Notes, including any Person that is required after the date hereof to execute a guarantee of the Notes pursuant to "*—Limitation on Guarantees of Debt by Restricted Subsidiaries*" until a successor replaces such party pursuant to the applicable provisions of the Indenture and, thereafter, shall mean such successor.

"IFRS" means International Financial Reporting Standards as adopted for use in the European Union in effect on the Issue Date or, solely with respect to the covenant "*Reports to Holders*," as in effect from time to time.

"Interest Rate Agreements" means any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect against or manage exposure to fluctuations in interest rates.

"Investment" means, with respect to any Person, any direct or indirect advance (other than advances to customers in the ordinary course of business), loan or other extension of credit (including guarantees) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Debt issued or owned by, any other Person. If the Issuer or any Restricted Subsidiary of the Issuer sells or otherwise disposes of any Capital Stock of any direct or indirect Restricted Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Person that were not sold or disposed of. The acquisition by the Issuer or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person. "Investments" excludes (i) hedging obligations entered into in the ordinary course of business endorsements of negotiable instruments and documents in the ordinary course of business, and (ii) extensions of trade credit on commercially reasonable terms in accordance with normal trade practices and accounts receivable in the ordinary course of business and bank guarantees received with respect to shipping agencies' obligations to the Company or a Restricted Subsidiary.

"Investment Grade Rating" means a rating equal or higher than at least two of the following ratings: Baa3 (or the equivalent) by Moody's, BBB- (or the equivalent) by S&P and BBB- (or the equivalent) by Fitch.

"Lien" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or, with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property that such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"Market Capitalization" means an amount equal to (i) the total number of our issued and outstanding shares of Capital Stock on the date of the declaration of the relevant dividend, multiplied by (ii) the arithmetic mean of the closing prices per share of such Capital Stock for the 30 consecutive trading days immediately preceding the date of the declaration of such dividend.

"Maturity" means, with respect to any indebtedness, the date on which any principal of such indebtedness becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

"Minimum Cash Balance" means, as of the date of determination, the aggregate of:

(a) all unrestricted Cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries, net of any outstanding amounts of overdraft; and

(b) securities at fair market value as shown on the Issuer's consolidated financial statements (i.e. marketable securities if liquid investments),

in each case as of the date of the last consolidated balance sheet of the Issuer available on such date of determination.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means,

(a) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to us or any Restricted Subsidiary), but excluding any other consideration in the form of assumption by the Acquiring Person, net of:

    (i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants and any applicable title and recording fees and expenses) related to such Asset Sale;

    (ii) provisions for all taxes payable as a result of such Asset Sale;

    (iii) all payments made on any Debt that is secured by any Property subject to such Asset Sale, in accordance with the terms of any Lien upon, or other security agreement of any kind with respect to, such Property, or which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid out of the proceeds from such Asset Sale;

    (iv) amounts required to be paid to any Person (other than us or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

    (v) appropriate amounts to be provided by us or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with IFRS against any liabilities associated with such Asset Sale and retained by us or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officer's Certificate delivered to the Trustee; and

(b) with respect to any capital contributions, issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under "*—Certain Covenants—Limitation on Restricted Payments*," the proceeds of such issuance or sale in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to us or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of thereof.

"Officer's Certificate" means a certificate signed by an officer of our company or of a Surviving Entity, as the case may be, and delivered to the Trustee.

"ORA" means the subordinated bonds mandatorily convertible into preference shares of the Company issued by the Company on January 27, 2011 pursuant to that certain investment agreement dated as of November 25, 2010, in an initial aggregate principal amount of $500 million (the "Yildirim ORA"), together with the FSI ORA and the Additional Yildirim ORA and, in the case of the Yildirim ORA and Additional Yildirim ORA, the preference shares issuable pursuant thereto.

"ORA Agreements" means the agreements entered into in connection with the issuance of the ORA.

"Pari Passu Debt" means any Debt of ours that ranks equally in right of payment with the Notes.

"Permitted Debt" has the meaning given to such term under "*—Certain Covenants—Limitation on Debt.*"

"Permitted Holders" means any of Jacques R. Saadé, Naila Saadé, Rodolphe Saadé, Tanya Saadé and Jacques Saadé Junior, any entities under the control of any of them, any of their respective spouses, parents, siblings or descendants (including by adoption), any of their respective estates, executors, administrators or personal representatives and any trust created for the sole benefit of any of the foregoing.

"Permitted Investments" means any of the following:

(a) Investments in cash or Cash Equivalents;

(b) intercompany Debt to the extent permitted under clause (f) of the definition of "Permitted Debt;"

(c) Investments in (i) the form of loans or advances to us, (ii) a Restricted Subsidiary or (iii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, us or a Restricted Subsidiary (and, in each case, any Investment held by such Person that was not acquired by such Person in contemplation of such merger, consolidation or transfer);

(d) Investments acquired by us or any Restricted Subsidiary in connection with an Asset Sale or Asset Swap permitted under "*—Certain Covenants—Limitation on Sale of Certain Assets*" to the extent such Investments are non-cash proceeds permitted thereunder;

(e) payroll, travel and similar advances to cover matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS;

(f) Investments in the Existing Notes, the Notes and Additional Notes thereof;

(g) Investments existing at the date of the Indenture and, where relevant, any amendment, modification, extension, renewal or replacement of any such Investments as long as any such amendment, modification, extension, renewal or replacement does not cause an increase of the underlying amount of such Investments;

(h) Investments in Interest Rate and Currency Agreements permitted under the "*Limitation on Debt*" covenant;

(i) Investments in Fuel Hedging Agreements permitted under the "*Limitation on Debt*" covenant;

(j) Investments made in the ordinary course of business, in an aggregate amount not to exceed $5.0 million;

(k) Investments of insurance proceeds received pursuant to circumstances permitted under clauses (2)(n) and (2)(q) in "*—Certain Covenants—Limitation on Debt*;"

(l) loans and advances (or guarantees to third-party loans) to our or any Restricted Subsidiary's employees, officers and directors made in the ordinary course of business and consistent with our past practices or past practices of such Restricted Subsidiary, as the case may be, not to exceed $10.0 million in the aggregate outstanding at any one time;

(m) Investments in a Person to the extent that the consideration therefor consists of the net proceeds of the substantially concurrent issue and sale (other than to any Subsidiary) of shares of our Qualified Capital Stock; *provided* that the net proceeds of such sale have been excluded from, and shall not have been included in, the calculation of the amount determined under clause (2)(c)(ii) of the "*Limitation on Restricted Payments*" covenant;

(n) Investments by us or any Restricted Subsidiary in connection with a Permitted Receivables Financing;

(o) any payments or other transactions pursuant to a tax-sharing agreement between us and any other Person with whom we file or filed a consolidated tax return or with which we are or were part of a consolidated group for tax purposes or any tax-advantageous group contribution made pursuant to applicable legislation;

(p) Investments of ours or the Restricted Subsidiaries described under item (v) of the proviso to the definition of "Debt;"

(q) Investments not to exceed $250.0 million (the amount of which, if not cash, is measured by reference to the Fair Market Value of each such non-cash Investment on the date it was made) by us or a Restricted Subsidiary in any entity the principal business of which is a Related Business and in which we or any or our Restricted Subsidiaries own 50.0% or less of the Capital Stock; *provided* that after giving *pro forma* effect to such Investment, we would have been able to incur at least $1.00 of additional Debt pursuant to paragraph (1) of the covenant described under "*—Certain Covenants—Limitation on Debt;*"

(r) stock, obligations or securities received in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;

(s) loans and advances (or guarantees of third-party loans) to our or any Restricted Subsidiary's employees and officers made for the purpose of allowing such employees and officers to purchase stock of their respective employers, not to exceed $10.0 million in the aggregate outstanding at any one time;

(t) guarantees permitted to be incurred under the "*Limitation on Debt*" covenant;

(u) other Investments in any Person not to exceed $50.0 million (the amount of which, if not cash, is measured by reference to the Fair Market Value of each such non-cash Investment on the date it was made), *provided* that if any Investment made pursuant to this clause (u) is subsequently sold or repaid for cash or Cash Equivalents, the $50.0 million amount shall be increased by the lesser of the cash or Cash Equivalents received with respect to such Investment (less the cost of disposition, if any) and the initial amount of such Investment;

(v) Investments made by the Company or any Restricted Subsidiary as a result of or retained in connection with any asset sale permitted under or in compliance with the Indenture, to the extent such Investments are non-cash proceeds permitted thereunder; and

(w) Investments by us or a Restricted Subsidiary made in connection with, and that are incidental and necessary to, any Productive Assets Financing constituting Permitted Debt or Debt permitted to be Incurred under the "*Limitation on Debt*" covenant.

"Permitted Liens" means the following types of Liens:

(a) Liens existing as of the date of the issuance of the Notes;

(b) Liens on our or any Restricted Subsidiary's property or assets securing Debt under the Credit Facilities permitted to be Incurred pursuant to clause (a) of the definition of "Permitted Debt" and Liens on assets given, disposed of or otherwise transferred in connection with a Permitted Receivables Financing permitted to be Incurred pursuant to clause (m) of the definition of "Permitted Debt;"

(c) Liens on any property or assets of ours or any Restricted Subsidiary purchased, acquired, constructed or improved for the purpose of securing purchase money obligations, mortgage financings or other Debt, in each case, Incurred pursuant to clauses (b), (c) or (q) of the definition of "Permitted Debt;" *provided* that (i) such purchase money obligations, mortgage financings or other Debt shall not be secured by any property or assets of ours or any Restricted Subsidiary other than the property and assets so acquired or improved and (ii) the Lien securing such Debt shall be created within 90 days of such purchases, acquisitions, constructions or improvements;

(d) any Liens securing the interest or title of a lessor under any Capitalized Lease Obligation incurred pursuant to clauses (b), (c) or (q) under the covenant described under "*—Certain Covenants—Limitation on Debt;*" *provided* that (i) such Lien shall not extend to any property or assets of ours or any Restricted Subsidiary (other than, for the avoidance of doubt, the property and assets subject of the lease giving rise to such Capitalized Lease Obligation) and (iii) any such Lien securing shall be created within 90 days of the Incurrence of such Capitalized Lease Obligation;

(e) Liens on any of our or any Restricted Subsidiary's property or assets securing the Notes or any guarantees thereof and Liens securing the Existing Notes or any guarantees thereof required to be created pursuant to the "*Limitation on Liens*" provisions of the Existing Notes Indentures;

(f) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by us or any Restricted Subsidiary in the ordinary course of business in accordance with such grantor's past practices prior to the date of the Indenture;

(g) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, stevedores, masters, crew, employees, pension plan administrators or other like Liens (including, without limitation, any maritime liens, whether or not statutory, that are recognized or given effect to as such by the law of any applicable jurisdiction) arising in the ordinary course of our or any Restricted Subsidiary's business and with respect to amounts not yet delinquent or being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made or Liens arising solely by virtue of any statutory or common law provisions relating to bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;

(h) Liens for taxes, assessments, government charges or claims that are either (i) not delinquent or thereafter can be paid without penalty, (ii) being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made or (iii) solely encumbering abandoned property or property in the process of being abandoned;

(i) Liens Incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, including, without limitation, obligations imposed by customs authorities, surety and appeal bonds, return-of-money bonds, government contracts, performance bonds and other obligations of a like nature Incurred in the ordinary course of business (other than obligations for the payment of borrowed money);

(j) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions and other similar charges or encumbrances not interfering in any material respect with our or any Restricted Subsidiary's business Incurred in the ordinary course of business;

(k) Liens arising by reason of any judgment, decree or order of any court so long as such Lien is adequately bonded (to the extent such bonding is required by such judgment, decree or order) and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(l) Liens on property of, or on shares of Capital Stock or indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of ours or any Restricted Subsidiary other than the property or assets acquired; *provided, further,* that such Liens were created prior to, and not in connection with or in contemplation of, such acquisition;

(m) Liens securing our or any Restricted Subsidiary's obligations under Interest Rate Agreements or Currency Agreements permitted by clauses (h) or (i) of the definition of "Permitted Debt;"

(n) Liens securing our or any Restricted Subsidiary's obligations under Fuel Hedging Agreements permitted by clause (j) of the definition of "Permitted Debt;"

(o) Liens Incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance (including unemployment insurance);

(p) Liens Incurred in connection with a cash management program established in the ordinary course of business for our benefit or that of any Restricted Subsidiary in favor of a bank or trust company of the type described in paragraph (1) of the covenant described under "—Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries;"

(q) any customary right of first refusal, right of first offer, option, contract, or other agreement to sell an asset of ours or of any Restricted Subsidiary;

(r) Liens arising as a result of escrow deposits related to ship financing in the ordinary course of business;

(s) any amendment, modification, extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (r); *provided* that (i) any such amendment, modification, extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so amended, modified, extended, renewed or replaced and (ii) such Liens shall be limited to the property or part thereof that secured the Lien so replaced or property substituted therefor as a result of the destruction, condemnation or damage of such property;

(t) Liens granted by a Restricted Subsidiary which is not a Guarantor and Liens on the Capital Stock of such Restricted Subsidiary in each case to secure Debt of such Restricted Subsidiary incurred under clause (x) of the definition of Permitted Debt;

(u) Liens on the Capital Stock or other securities or Debt of any Unrestricted Subsidiary or Qualified Minority Entity to secure Debt of any Unrestricted Subsidiary or Qualified Minority Entity;

(v) Liens Incurred in the ordinary course of business of our company or any Restricted Subsidiary with respect to obligations that do not exceed \$5.0 million at any one time outstanding and that (i) are not Incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (ii) do not in the aggregate materially detract from the value of the relevant property or materially impair the use thereof in the operation of our or such Restricted Subsidiary's business; and

(w) Liens granted by a Restricted Subsidiary of the Issuer which is not a Guarantor, securing Debt of such Restricted Subsidiary, that is permitted to be Incurred pursuant to the covenant described under "*—Certain Covenants—Limitation on Debt*" or is Permitted Debt other than Permitted Debt Incurred under clauses (b), (c) or (x) thereof.

"Permitted Receivables Financing" means any financing pursuant to which we or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person or grant a security interest in, any accounts receivable (and related assets) in an aggregate principal amount equivalent to the Fair Market Value of such accounts receivable (and related assets) of our company or any Restricted Subsidiary; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by our Board of Directors) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by our Board of Directors) at the time such financing is entered into and (c) such financing shall be non-recourse to us or any Restricted Subsidiary except to a limited extent customary for such transactions.

"Permitted Refinancing Debt" means any Refinancing of any Debt of ours or a Restricted Subsidiary pursuant to this definition, including any successive Refinancings, so long as:

(a) we are the borrower under such Refinancing or, if not, the borrower is the borrower of the Debt being refinanced (except that any Restricted Subsidiary may incur refinancing Debt to refinance Debt of any other Restricted Subsidiary);

(b) such Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being Refinanced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such Refinancing and fees and expenses of any legal counsel, auditors and investment banks;

(c) the Average Life of such Debt is equal to or greater than the Average Life of the Debt being Refinanced;

(d) the Stated Maturity of such Debt is no earlier than the Stated Maturity of the Debt being Refinanced; and

(e) the new Debt is not senior in right of payment to the Debt that is being Refinanced;

provided that Permitted Refinancing Debt will not include (i) Debt of a Subsidiary that Refinances our Debt or the Debt of a Guarantor or (ii) Debt of any Restricted Subsidiary that Refinances Debt of an Unrestricted Subsidiary.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock" means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person whether now outstanding, or issued after the date of the Indenture, and including, without limitation, all classes and series of preferred or preference stock of such Person; *provided* that Preferred Stock shall not include preference shares issuable upon conversion of the ORA.

"*pro forma*" means, with respect to any calculation made or required to be made pursuant to the terms of the Notes, a calculation in accordance with IFRS, or otherwise a calculation made in good faith by us after consultation with our external auditor, as the case may be.

"Property" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock, and other securities of, any other Person. For purposes of any calculation required pursuant to the Indenture, the value of any Property shall be its Fair Market Value.

"Public Debt" means any bonds, debentures, notes or other indebtedness of a type that could be issued or traded in any market where capital funds (whether debt or equity) are traded, including private placement sources of debt and equity as well as organized markets and exchanges, whether such indebtedness is issued in a public offering or in a private placement to institutional investors or otherwise.

"Public Equity Offering" means an underwritten public offering for sale of Capital Stock (which is Qualified Capital Stock) of ours or any direct or indirect parent holding company of ours with gross proceeds to us of at least $50.0 million (including any sale of Qualified Capital Stock purchased upon the exercise of any over allotment option granted in connection therewith).

"Qualified Capital Stock" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"Qualified Finance Company Subsidiary" means a Subsidiary that (i) is a direct, Restricted Subsidiary of ours, (ii) was incorporated for the sole of purpose of issuing, and is limited by its constituent documents to the issuance of, Public Debt, (iii) does not have any Subsidiaries, other than a corporate co-obligor of such Public Debt and (iv) does not have any assets other than indebtedness owed to it by us and the Restricted Subsidiaries in respect of loans made by it to us with the proceeds of any Public Debt issued by it.

"Qualified Lease Financing" means any Capitalized Lease Obligation incurred or assumed in connection with the acquisition or construction of assets used in our business.

"Qualified Minority Entity" means any entity in which we or any of our Restricted Subsidiaries own 50.0% or less of the Capital Stock and the principal business of which, directly or through Subsidiaries, consists of (i) operating logistics, port and terminal facilities including bunkering stations, (ii) transporting air, railway or trucking cargo or (iii) freight forwarding.

"Rating Agency" means Fitch, Moody's or S&P.

"Redeemable Capital Stock" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Notes or is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of our company in circumstances in which the holders of the Notes would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity; *provided* that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes will not constitute Redeemable Capital Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in "*—Certain Covenants—Limitation on Sale of Certain Assets*" and "*—Purchase of Notes upon a Change of Control*" covenants described herein and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to our repurchase of such Notes as are required to be repurchased pursuant to "*—Certain Covenants—Limitation on Sale of Certain Assets*" and "*—Purchase of Notes upon a Change of Control*."

"Refinance" means, with respect to any Debt, to amend, modify, extend, substitute, renew, replace, refund, prepay, repay, repurchase, redeem, defease or retire, or to issue other Debt, in exchange or replacement for, such Debt. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Term Loan Facility" means the term loan facility in an aggregate principal amount not to exceed €145.0 million to be entered into between, among others, the Issuer as borrower and BNP Paribas, Société Générale and Crédit Suisse as arrangers (the "Term Loan Arrangers") pursuant to a commitment letter dated December 4, 2013 between the Issuer and the Term Loan Arrangers.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Related Business" means any business which is the same as or related, ancillary or complementary to any of the businesses of our company and its Restricted Subsidiaries on the date of the Indenture.

"Related Business Assets" means assets used or useful in a Related Business.

"Restricted Subsidiary" means any Subsidiary of ours other than an Unrestricted Subsidiary.

"Restructuring Charges" means all charges and expenses caused by or attributable to any restructuring, severance, relocation, consolidation, closing, integration, business optimization or transition, signing, retention or completion bonus or curtailments or modifications to pension and post-retirement employee benefit plans.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"S&P" means Standard and Poor's, a division of the McGraw-Hill Companies, Inc. and its successors.

"Sale and Leaseback Transaction" means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to us or any Restricted Subsidiary of any property, whether owned by us or such Restricted Subsidiary on the date of the Indenture or later acquired, which has been or is to be sold or transferred by us or a Restricted Subsidiary to such Person or to any other Person from whom funds have been or are to be advanced by such Person; *provided* that no sale or transfer by us or a Restricted Subsidiary of any asset that is incidental to and made in connection with any Qualified Lease Financing shall be considered a Sale and Leaseback Transaction.

"Securities Act" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Senior Debt" means Debt of a Restricted Subsidiary other than a Guarantor or that is secured by a Lien on any of the property or assets, whether owned at or acquired after the date of the Indenture, of the Issuer or any Restricted Subsidiary.

"Shareholders Agreement" means the shareholders agreement dated as of January 27, 2011, among the ORA holders, Merit Corporation SAL and the Company.

"Significant Subsidiary" means any Restricted Subsidiary that, together with its Subsidiaries:

(a) accounted for more than 10% of the consolidated revenues of the Issuer and its Restricted Subsidiaries for our most recent fiscal year, or

(b) as of the end our most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer and its Restricted Subsidiaries.

"Stated Maturity" means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest, respectively, is due and payable, and, when used with respect to any other indebtedness, means the date specified in the instrument governing such indebtedness as the fixed date on which the principal of such indebtedness, or any installment of interest thereon, is due and payable.

"Subordinated Debt" means Debt of our company or any Guarantee that is subordinated in right of payment to the Notes or such Guarantor's guarantee of the Notes.

"Subordinated Funding" means any Debt of the Issuer that (1) does not (including upon the happening of any event) mature or require any amortization, redemption or other payment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such Debt into Qualified Capital Stock of the Issuer or any Debt meeting the requirements of this definition), (2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other gross ups, or any similar amounts, (3) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any payment prior to the first anniversary of the Stated Maturity of the Notes, (4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries and is not guaranteed by any such Subsidiary; (5) does not contain any covenants (financial or otherwise) other than a covenant to pay such Subordinated Funding at maturity and (6) pursuant to its term or other agreement, is fully subordinated and junior in right of payment to the prior payment in full in cash of the Notes.

"Subordinated Shareholder Debt" means collectively, any Subordinated Funding provided to the Issuer by any Permitted Holder.

"Subsidiary" means, with respect to any Person:

(a) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof; and

(b) any other Person (other than a corporation), including, without limitation, a partnership, limited liability company, business trust or joint venture, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, holds at least a majority of the ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Person performing similar functions).

"Unrestricted Subsidiary" means:

(a) any Subsidiary of ours that at the time of determination is an Unrestricted Subsidiary (as designated by our Board of Directors pursuant to the "Designation of Unrestricted and Restricted Subsidiaries" covenant); and

(b) any Subsidiary of an Unrestricted Subsidiary.

"Vessel" means one or more shipping vessels whose primary purpose is the maritime transportation of cargo or which are otherwise engaged, used or useful in any business activities of the Issuer and its Restricted Subsidiaries and which are owned by and registered (or to be owned by and registered) in the name of the Issuer or any of its Restricted Subsidiaries or operated or to be operated by the Issuer or any of its Restricted Subsidiaries, in each case together with all related spares, equipment and any additions or improvements.

"Vessel Sharing Arrangement" means (i) an agreement whereby the parties to such agreement are entitled to obtain space allocation on ships operated on a certain shipping line in accordance with each party's ship capacity contribution to that shipping line and/or (ii) an agreement whereby the parties to such agreement sell, buy or exchange a fixed number of container slots on their respective ships operated on a certain shipping line.

"Voting Stock" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"Wholly Owned Restricted Subsidiary" means any Restricted Subsidiary, all of the outstanding Capital Stock (other than directors' qualifying shares or shares of foreign Restricted Subsidiaries required to be owned by foreign nationals pursuant to applicable law) of which is owned by us, by one or more other Wholly Owned Restricted Subsidiaries or by us and one or more other Wholly Owned Restricted Subsidiaries.

BOOK ENTRY, DELIVERY AND FORM

General

Certain defined terms used but not defined in this section have the meanings assigned to them in the Indenture governing the notes, as described in "Description of Notes."

Each series of notes sold to persons other than "U.S. persons," as defined in Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), outside the United States in offshore transactions (as defined in Regulation S) in reliance on Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes"). The Regulation S Global Notes representing the notes (the "Regulation S Global Notes") will be deposited, on the closing date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

Each series of notes sold to QIBs, in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the "144A Global Notes" and, together with the Regulation S Global Notes, the "Global Notes"). The Global Notes will be deposited, on the closing date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

Ownership of beneficial interests in the 144A Global Notes ("144A Book-Entry Interests") and the Regulation S Global Notes (the "Regulation S Book-Entry Interests" and, together with the 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream, or persons that hold interests through such participants and have to be in accordance with applicable transfer restrictions set out in the indenture governing the notes and in any applicable securities laws of any state of the United States or of any other jurisdiction, as described under "*Notice to Investors*" and under "*Summary—The Offering—Transfer Restrictions*."

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants. Except under the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive definitive notes in registered form ("Definitive Registered Notes"). Instead, Euroclear and Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of notes take physical possession of such notes in definitive form. The foregoing limitations may impair your ability to own, transfer, pledge or grant any other security interest in Book-Entry Interests.

So long as the notes are held in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Global Notes for any purpose. So long as the notes are held in global form, the common depositary for Euroclear and Clearstream or its nominee will be considered the sole holders of Global Notes for all purposes under the indenture governing the notes. As such, participants must rely on the procedures of Euroclear and/or Clearstream, as the case may be, and indirect participants must rely on the procedures of Euroclear, Clearstream and the participants through which they own Book-Entry Interests to transfer their interests in or to exercise any rights of holders under the indenture governing the notes. Neither we nor the Trustee nor any of our respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests. You can find information about certain other restrictions on the transferability of the notes under "*—Issuance of Definitive Registered Notes*."

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of the notes in certificated form and will not be considered the registered owners or holders thereof under the indenture governing the notes for any purpose.

The Issuer, the Trustee, the Registrar, the Transfer Agents, the Paying Agents and any of their respective agents have not and will not have any responsibility or liability:

(1) for any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests; or for payments made by Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests, or

(2) for Euroclear, Clearstream or any participant or indirect participant.

The notes will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. We will not impose any fees or other charges in respect of the notes; however, owners of the Book-Entry Interest may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Issuance of Definitive Registered Notes

Under the terms of the indenture governing the notes, owners of Book-Entry Interests will receive Definitive Registered Notes only in the following circumstances:

(1) if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default which results in action by the Trustee pursuant to the enforcement provisions under the indenture governing the notes.

Euroclear has advised the Issuer that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), its current procedure is to request that Definitive Registered Notes be issued to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In any such events described in clauses (1) or (2), the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream, as applicable (in accordance with their respective customary procedures and certain certification requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests). The Definitive Registered Notes will bear a restrictive legend with respect to certain transfer restrictions, unless that legend is not required by the indenture governing the notes or by applicable law.

In the case of the issue of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Definitive Registered Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of one Definitive Registered Note, a new Definitive Registered Note will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note will be issued to the transferor or the holder, as applicable in respect of the balance of the holding not transferred or redeemed, provided that a Definitive Registered Note will only be issued in denominations of €100,000 or in integral multiples of €1,000 in excess thereof.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken, or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a Transfer Agent, we will issue and the Trustee or an Authenticating Agent appointed by the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. We or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and us to protect us, the Trustee or the Paying Agent appointed pursuant to the indenture governing the notes from any loss which any of them may suffer if a Definitive Registered Note is replaced. We may charge for expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by us pursuant to the provisions of the indenture governing the notes, we in our discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests only in accordance with the indenture governing the notes and, if required, only after the transferor first delivers to the Transfer Agent a written certification (in the form provided in the indenture governing the notes) to the effect that such transfer will comply with the transfer restrictions applicable to such notes. See "*Notice to Investors*."

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Registrar, and such registration is a means of evidencing title to the notes.

The Issuer will not impose any fees or other charges in respect of the notes; however, holders of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, Euroclear and/or Clearstream, or their respective nominees, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable to the holders of such Book-Entry Interests will be equal to the amount received by Euroclear and/or Clearstream, as applicable, in connection with the redemption of such Global Note, or any portion thereof. The Issuer understands that, under existing practices of Euroclear and Clearstream, if fewer than all of the notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of €100,000 may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts) will be made by the Issuer to the Paying Agents. The Paying Agents will, in turn, make such payments to the common depositary or its nominee for Euroclear and/or Clearstream. The common depositary or its nominee, will in turn distribute such payments to participants in accordance with its procedures. We will make payments of all such amounts without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made by any applicable law or regulation or otherwise as described under "*Description of Notes—Additional Amounts*," then, to the extent described under "*Description of Notes—Additional Amounts*," such Additional Amounts will be paid as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will be equal to the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction.

We expect that payments by participants to owners of Book-Entry Interests held through such participants will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name." Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in "street name."

In order to tender Book-Entry Interests in a change of control offer or asset sale offer, the holder of the applicable Global Note must, within the time period specified in such offer, give notice of such tender to the Paying Agents and specify the principal amount of Book-Entry Interests to be tendered.

Currency and Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the notes will be paid to holders of interest in such notes (the "Euroclear/Clearstream Holders") through Euroclear and/or Clearstream in euro.

Notwithstanding the payment provisions described above, Euroclear/Clearstream Holders may elect to receive payments in respect of the Euro Global Notes in dollars.

If so elected, a Euroclear/Clearstream Holder may receive payments of amounts payable in respect of its interest in the Euro Global Notes in dollars in accordance with Euroclear or Clearstream's customary procedures, which include, among other things, giving to Euroclear or Clearstream, as appropriate, a notice of such holder's election.

All costs of conversion resulting from any such election will be borne by such holder.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of notes only at the direction of the participant to whose account the Book-Entry Interests in the Global

Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant has given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the indenture governing the notes, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to its participants, as described in the subsection "—*Issuance of Definitive Registered Notes*."

Exchanges between 144A Global Notes and Regulation S Global Notes

144A Book-Entry Interests may be transferred to a person who takes delivery in the form of Regulation S Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act. Until the expiration of 40 days after the later of the commencement of the offering and the closing date, ownership of Regulation S Book-Entry Interests will be limited to persons other than U.S. persons, and any sale or transfer of such interest to U.S. persons shall not be permitted during such periods unless such resale or transfer is made pursuant to Rule 144A. Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A as described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Secondary Market Trading, Global Clearance and Settlement under the Book-Entry System

The notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market. We expect that the notes will be accepted for clearance through the facilities of Euroclear and Clearstream. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures. The following description of the operations and procedures of Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the relevant settlement systems and are subject to changes by them. We expect that secondary trading in any certificated notes will also be settled in immediately available funds.

Initial Settlement

Initial settlement for the notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear or Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving notes through Euroclear or Clearstream on days when those systems are open for business.

In addition, because of time-zone differences, there may be complications with completing transactions involving Euroclear and/or Clearstream on the same business day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to receive or make a payment or delivery of notes, on a particular day, may find that the transactions will not be performed until the next business day in Brussels if Euroclear is used, or Luxembourg if Clearstream is used.

Clearing Information

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream Banking. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we, the Trustee nor the Initial Purchasers are responsible for those operations or procedures. The Issuer understands as follows with respect to Euroclear and Clearstream Banking:

We expect that the notes will be accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification numbers and common code numbers for the notes are set out under "*General Information*."

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

CERTAIN TAX CONSIDERATIONS

French Income Taxation

The following is a general summary of the principal French tax consequences of owning and disposing of the notes. This summary is only addressed to beneficial owners of notes who are not French residents for French tax purposes, who do not hold their notes in connection with a business or profession conducted in France, or a permanent establishment or fixed base situated in France, and who do not concurrently hold our shares.

This discussion is intended only as a descriptive summary of certain provisions of French tax law and regulations which, due to its summary character, does not cover all details and tax exemptions which may apply in specific individual cases, and may even require a deviation therefrom, including as a result of the application of the provisions of any relevant tax treaty. It assumes that interest paid by the Issuer with respect to the notes will qualify as interest payments pursuant to French tax law. Furthermore, it does not deal with any tax other than the withholding, income and transfer taxes as described below and is based on French tax and practices in force as of the date hereof, all of which are subject to change, possibly with retroactive effect, or to different interpretations.

You should consult your own tax advisers about the tax consequences of purchasing, owning and disposing of notes, including the relevance to your particular situation of considerations discussed below.

Taxation of Interest

Pursuant to Article 125 A III of the French Code général des impôts, payments of interest and other revenues made by the Issuer on the notes are not subject to withholding tax unless such payments are made outside of France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French Code général des impôts (a "Non-Cooperative State"), in which case a 75% withholding tax is applicable subject to exceptions, certain of which being set forth below, and to more favorable provisions of any applicable double tax treaty. The 75% withholding tax is applicable irrespective of the tax residence of the noteholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, according to Article 238 A of the French Code général des impôts, interest and other revenues will not be deductible from the Issuer's taxable income, as from the fiscal years starting on or after January 1, 2011, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest or other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French Code général des impôts, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the same Code, at a rate of 30% or 75%, subject to more favorable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French Code général des impôts, the non-deductibility of the interest and other revenues nor the withholding tax set out under Article 119 bis 2 that may be levied as a result of such non-deductibility, to the extent the relevant interest or revenues relate to genuine transactions and is not in an abnormal or exaggerated amount, will apply in respect of a particular issue of notes provided that the Issuer can prove that the main purpose and effect of such issue of notes is not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "Exception").

In addition, under French tax administrative guidelines (BOI-INT-DOMIC-10-20-20-60) dated January 21, 2013, an issue of notes benefits from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of such issue of notes, if such notes are:

(i) offered by means of a public offer within the meaning of Article L. 411-1 of the French Code monétaire et financier or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Code monétaire et financier, or of one or more similar foreign depositaries or operators provided that such depositaries or operators are not located in a Non-Cooperative State.

As the notes issued by the Issuer under these listing particulars qualify as debt securities under French commercial law, they will fall under the Exception to the extent at the time of their issue, (i) the notes are admitted to delivery in book-entry form through Euroclear and Clearstream, Luxembourg and (ii) these operators are not located in a Non-Cooperative State. Accordingly, payments of interest and other revenues made by the Issuer with respect to the notes will be exempt from the withholding tax set out under Article 125 A-III of the Code *général des impôts*.

Prospective investors are urged to consult their own tax advisors as to French tax considerations relating to the purchase, ownership and disposition of the notes in light of their particular circumstances.

Taxation on Sale, Disposal or Redemption of Notes

A holder of notes who is not a resident of France for French tax purposes will not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, disposal or redemption of notes.

No transfer taxes or similar duties are payable in France in connection with the redemption of the notes, as well as in connection with the transfer of the notes, except in case of filing on a voluntary basis.

EU Proposed Financial Transactions Tax

The European Commission has published a proposal for a Directive for a common financial transactions tax ("FTT") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain transactions relating to the notes (including secondary market transactions) in certain circumstances. The FTT would impose a charge at generally not less than 0.1% of the sale price on such transactions or the market price of the relevant securities, whichever is higher.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain transactions relating to the notes where at least one party is established in a participating Member State and a financial institution established in (or treated as established in) a participating Member State is a party to the transaction, for its own account, for the account of another person, or if the financial institution is acting in the name of a party to the transaction. A party may be deemed to be "established" in a participating Member State in a broad range of circumstances, including if its seat is there, if it is acting via a branch in that Member State (as regards branch transactions), or where the financial instrument which is the subject of the transaction is issued in a participating Member State. In addition to these cases, a financial institution may also be treated as established in a participating Member State if it is authorized there (as regards authorized transactions), or if it is entering into the financial transaction with another person who is established in that Member State.

It is currently proposed that the FTT should be introduced in the participating Member States on January 1, 2014.

The FTT proposal remains however subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the notes are advised to seek their own professional advice in relation to the FTT.

Savings Directive

On June 3, 2003, the ECOFIN Council of the EU adopted directive 2003/48/EC on the taxation of savings income (the "Savings Directive"). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since July 1, 2005, to provide to the tax authorities of another Member State details of payments of interest within the meaning of the Savings Directive (interest, premium or other debt income) ("Interest") made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident of that other Member State or an entity without legal personality that meets certain conditions and has not opted to be treated as UCITS for the purposes of the Savings Directive that is established in that other Member State (together, the "Beneficial Owners") (the "Disclosure of Information Method").

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making Interest payments, within the meaning of the Savings Directive, for the immediate benefit of a Beneficial Owner.

However, throughout a transitional period, certain Member States (Austria and the Grand-Duchy of Luxembourg) will withhold an amount on Interest payments instead of using the Disclosure of Information Method used by other Member States, unless the relevant Beneficial Owner of such payment elects for the Disclosure of Information Method or provides the paying agent with a certificate issued by the tax authorities of the Member State of which he is a resident. The rate of such withholding is 35%.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community and the last of several jurisdictions (Andorra, Liechtenstein, Monaco, San Marino and Switzerland), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on April 18, 2002 (the "OECD Model Agreement"), in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rate described above and (ii) the date on which the European Council agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to Interest payments. The Luxembourg government has announced that Luxembourg will elect out of the withholding system in favor of automatic exchange of information with effect from January 1, 2015.

The Savings Directive was implemented into French law in Article 242 *ter* of the *Code général des impôts* and in Articles 49 I ter to 49 I *sexies* of Annex III thereto. These rules impose on paying agents based in France an obligation to report to the French tax authorities certain information with respect to Interest payments made to Beneficial Owners domiciled in another Member State, including the identity and address of the Beneficial Owner and a detailed list of the different categories of Interest paid to that Beneficial Owner.

Each note holder shall be responsible for supplying to the paying agent in a timely manner, any information he may request in order to comply with the identification and reporting obligations imposed on him by the Savings Directive or any law implementing or complying with, or introduced in order to conform to the Savings Directive.

A number of non-EU countries (Andorra, Liechtenstein, Monaco, San Marino and Switzerland) and dependent or associated territories of certain Member States have agreed to apply similar measures (transitional withholding or, upon specific election, provision of information).

The attention of the note holders is drawn to the fact that on November 13, 2008, the European Commission has issued a proposal to amend the Savings Directive which, if finally adopted by the European Parliament, would amend and broaden the scope of the rules described above. In particular, it is proposed to extend under certain conditions the scope of the Savings Directive to payment of Interest made to certain categories of entities and legal arrangements "based" outside the EU for the ultimate benefit of Beneficial Owners that are individuals. The European Parliament approved an amended version of this proposal on April 24, 2009.

U.S. Federal Income Tax Considerations

This summary has been written to support the marketing of the notes. It was not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. federal income tax penalties. Investors should consult their own tax advisers in determining the tax consequences to them of investing in the notes, including the application to their particular situation of the U.S. federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

The following discussion summarizes the material U.S. federal income tax consequences for a U.S. holder of purchasing, owning and disposing of the notes. For purposes of this discussion, a "U.S. holder" means a beneficial owner of notes that is a citizen or resident of the United States, a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the notes. This summary deals only with

U.S. holders that purchase notes at their issue price as part of the initial distribution and that hold notes as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects mark-to-market treatment, person that holds notes as a hedge against currency risk or as a position in a "straddle" or conversion transaction, tax-exempt organization or person whose "functional currency" is not the U.S. dollar.

This summary is based on laws, regulations, rulings, and court decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary. We will not seek a ruling from the U.S. Internal Revenue Service ("IRS") with respect to any matters discussed in this section, and we cannot assure you that the IRS will not challenge one or more of the tax consequences described below.

You should consult your own tax advisers about the tax consequences of purchasing, owning, and disposing of notes, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local, or other tax laws.

Stated Interest on the Notes

Payments or accruals of stated interest on the notes will be taxable to you as ordinary interest income at the time that you receive or accrue such amounts (in accordance with your regular method of tax accounting).

If you use the cash method of tax accounting, the amount of interest income you will realize will be the U.S. dollar value of the payment in euros, calculated based on an exchange rate in effect on the date you receive the payment, regardless of whether you convert the payment into U.S. dollars.

If you are an accrual-basis U.S. holder, the amount of interest income you will realize on the notes will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an interest accrual period that spans two taxable years, during the partial period within the taxable year). Alternatively, as an accrual-basis U.S. holder, you may elect to translate all interest income on the notes at a spot rate on the last day of the accrual period (or the last day of the taxable year, in the case of an accrual period that spans more than one taxable year) or on the date that you receive the interest payment if that date is within five business days of the end of the accrual period (or taxable year). If you make this election, you must apply it consistently to all debt instruments from year to year and you cannot change the election without the consent of the IRS. If you use the accrual method of accounting for tax purposes, you will recognize foreign currency gain or loss on the receipt of an interest payment in euro if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the notes.

Original Issue Discount

The notes may be issued with original issue discount ("OID") for U.S. federal income tax purposes. If the principal amount of the notes exceeds their "issue price" (the first price at which a substantial amount of the notes is sold to the public) by an amount that equals or is greater than the statutory *de minimis* amount (0.25% of the principal amount multiplied by the number of complete years to maturity), the notes will be treated as issued with OID for U.S. federal income tax purposes in an amount equal to such excess.

If you hold a note that was issued with OID, you will be required to include in gross income (as ordinary income) the sum of the daily portions of the OID that accrues on such note for each day during the taxable year in which you hold the note, regardless of your regular method of accounting for U.S. federal income tax purposes. Thus, you will be required to include OID in income in advance of your receipt of cash attributable to such OID. The daily portion is determined by allocating to each day of an "accrual period" (generally, the period between interest payments) a pro rata portion of the OID allocable to such accrual period. The amount of OID that will accrue during an accrual period other than the final accrual period is the product of the "adjusted issue price" of the note at the beginning of the accrual period multiplied by the yield to maturity of the note less the amount of any stated interest allocable to such accrual period. The yield to maturity of the note is the discount rate that causes the present value of all scheduled payments on the note as of its original issue date to equal the issue price of the note. The "adjusted issue price" of a note at the beginning of an accrual period will equal its issue price, increased by the aggregate amount of OID that has accrued on the note in all prior accrual periods, and decreased by any payments made on the note during all prior accrual periods other than payments of stated interest. The amount of OID that will accrue during the final accrual period is the difference between the amount payable at maturity (other than a payment of stated interest) and the adjusted issue price at the beginning of the final accrual period. Under these rules, you generally will have to include in taxable income increasingly greater amounts of OID in successive accrual periods.

OID will be determined for any accrual period in euro and then translated into U.S. dollars, in the same manner as stated interest income accrued by a holder on the accrual basis, as described above. You will recognize exchange gain or loss when OID is paid (including, upon the sale of a note, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference between the U.S. dollar value of such payment (determined by translating euro received at the spot rate on the date such payment is received) and the U.S. dollar value of the accrued OID (determined in the same manner as for accrued interest).

Purchase, Sale and Retirement of the Notes

If you sell or exchange a note, or if a note that you hold is retired, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any amount attributable to accrued and unpaid stated interest or OID, which will be subject to tax in the manner described above) and your adjusted tax basis in the note. Initially, your tax basis in a note generally will equal the U.S. dollar value of the purchase price for the note, calculated at an exchange rate in effect on the date of purchase. If the note is traded on an established securities market, a cash-basis U.S. holder (or, if it so elects, an accrual-basis U.S. holder) will determine the U.S. dollar value of the cost of such note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. If you sell a note for euros, or receive euros on the retirement of a note, the amount you will realize for U.S. tax purposes generally will be the U.S. dollar value of the euros that you receive, calculated at an exchange rate in effect on the date the note is sold or retired. If the note is traded on an established securities market, a cash-basis U.S. holder (or, if it so elects, an accrual-basis U.S. holder) will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate of exchange on the settlement date of the sale, exchange or retirement. Any such election made by an accrual-basis U.S. holder must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to foreign currency gain or loss, any gain or loss that you recognize on the sale, exchange or retirement of a note generally will be U.S.-source capital gain or loss, and will be long-term capital gain or loss, subject to taxation at reduced rates for non-corporate taxpayers, if you have held the note for more than one year on the date of disposition. The ability of U.S. holders to offset capital losses against ordinary income is limited.

Despite the foregoing, gain or loss that you recognize on the sale, exchange or retirement of a note generally will be treated as U.S.-source ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which you held the note. You will only recognize such foreign currency gain or loss to the extent you have gain or loss, respectively, on the overall sale or retirement of the note. This foreign currency gain or loss will not be treated as an adjustment to interest income that you receive on the note. U.S. holders who sell notes at a loss that exceeds certain thresholds may be required to file a disclosure statement with the IRS.

U.S. Information Reporting and Backup Withholding Rules

Payments in respect of the notes that are made within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding unless you properly establish that you are a corporation or other exempt recipient or, in the case of back-up withholding, provide an accurate taxpayer identification number and certify that no loss of exemption from backup withholding has occurred.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability. You may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated December 10, 2013, we have agreed to sell to the initial purchasers and each initial purchaser has agreed, severally and not jointly, to purchase from us €300.0 million aggregate principal amount of the notes.

The following table sets forth the amount of notes to be purchased by each initial purchaser:

Initial Purchasers[1]	Principal Amount of the Notes
BNP Paribas	€ 147,000,000
Credit Suisse (Europe) Limited	54,000,000
Société Générale	99,000,000
Total	**€ 300,000,000**

(1) Sales may be made through affiliates of the initial purchasers listed above.

The initial purchasers are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The purchase price for the notes will be the relevant initial offering price set forth on the cover page of these listing particulars less an underwriting discount paid to the initial purchasers. The initial purchasers propose to offer the notes for resale initially at the offering prices on the cover page of these listing particulars. After the initial offering of the notes, the offering prices and other selling terms may from time to time be varied by the initial purchasers without notice. The initial purchasers may offer and sell notes through certain of their affiliates.

We have agreed to pay the initial purchasers certain customary fees for their services in connection with the offering and to reimburse them for certain out-of-pocket expenses. We have also agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

United States

The notes have not been registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "*Notice to Investors*."

Accordingly, each of the initial purchasers, severally and not jointly, has represented and agreed that it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the notes except (A) within the United States, to persons whom it reasonably believes to be QIBs and that it has taken or will take reasonable steps to ensure that the purchaser of such notes is aware that such sale is being made in reliance on Rule 144A or (B) to persons outside the United States, in reliance upon Regulation S.

EEA

Each initial purchaser, severally and not jointly, has represented and agreed that it has not made and will not make an offer of the notes to the public in any of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State"), except that it may offer the notes:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, two or more of (1) a total balance sheet of more than $20,000,000, (2) an annual net turnover of more than $40,000,000 and (3) equity of more than $2,000,000, on an individual basis;

(c) to fewer than 100 natural or legal persons, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), in any Relevant Member State subject to obtaining the prior consent of the other initial purchasers; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of the notes shall result in a requirement for the publication by the Issuer or the initial purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression "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 the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC, including that Directive as amended by the 2010 PD Directive to the extent implemented in the Relevant Member State in question, and includes any relevant implementing measure in the Relevant Member State in question; and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Other Restrictions

Each initial purchaser acknowledges that no action has been or will be taken by the Issuer that would permit a public offering of the notes, or possession or distribution of the listing particulars or any other offering or publicity material.

General

No sale of similar securities

The Issuer has agreed, subject to certain limited exceptions, that they or their affiliates and subsidiaries will not, directly or indirectly, sell or offer to sell any of the notes or any instrument relating to debt or preferred equity securities for a period of 120 days from the date the notes are issued without first obtaining the written consents of the initial purchasers.

New issue of notes

The notes are a new issue of securities for which there currently is no established trading market. In addition, the notes are subject to certain restrictions on resale and transfer as described under "*Notice to Investors*." We will apply to list the notes on the Official List of the Luxembourg Stock Exchange and to admission to trading on the Euro MTF market of the Luxembourg Stock Exchange. While the initial purchasers have informed us that they currently intend to make a market in the notes, they are not obligated to do so and they may discontinue market making activities in their sole discretion at any time without notice. Accordingly, we can give no assurance as to the development or liquidity of any market for the notes.

Price stabilization and short positions

In connection with the offering of the notes, BNP Paribas or its affiliates (the "Stabilizing Manager") may engage in overallotment, stabilizing transactions and syndicate-covering transactions and penalty bids. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate-covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate-covering transactions may cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. Penalty bids permit the Stabilizing Managers to reclaim a selling concession from a broker/dealer when the notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions. If the Stabilizing Managers engage in stabilizing or syndicate-covering transactions, they may discontinue them at any time. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the notes.

Other relationships

The initial purchasers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their business, the initial purchasers, directly or through their affiliates, have engaged, and in the future may engage, in commercial banking, investment banking, advisory and consulting services with us and our affiliates, from time to time, for which they have been or will be paid customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. In addition, certain of the initial purchasers and their affiliates are lenders, and in some cases agents or managers for the lenders, under credit facilities, acted as initial purchasers for our prior bond offerings, and are acting and have acted as dealer managers in connection with tender offers we make. The initial purchasers or certain of their affiliates have committed to provide the Issuer with the Refinancing Term Loan. See "*Capitalization*."

Stamp tax

Persons who purchase notes from the initial purchasers may be required to pay stamp duty, taxes and other charges in accordance with the law and practice of the country of purchase in addition to the offering price set forth on the cover page of these listing particulars although this payment may be born or indemnified by the Issuer under certain circumstances. See "*Description of Notes—Additional Amounts*."

Initial Settlement

It is expected that delivery of the notes will be made against payment therefor on or about the date specified on the cover page of these listing particulars, which will be the fourth business day following the date of pricing of the notes (this settlement cycle is being referred to as "T+4"). Under Rule 15(c)6-1 of the 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 the notes on the date of pricing will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes on the date of pricing should consult their own advisor.

NOTICE TO INVESTORS

Because of the following restrictions on the notes, purchasers are advised to read the below carefully and consult legal counsel prior to making any offer, resale, pledge or other transfer of any notes.

The notes have not been, and will not be, registered under the Securities Act or the state securities laws of any state of the United States or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered and sold only (1) to QIBs in compliance with Rule 144A and (2) outside the United States to non-U.S. persons in "offshore transactions" in compliance with Regulation S. The terms "United States," "non-U.S. person" and "offshore transaction" used in this section have the meanings given to them under Regulation S.

Each holder and beneficial owner of notes acquired in the United States in connection with their initial distribution and each transferee of such notes from any such holder or beneficial owner will be deemed to have represented and agreed with the Issuer as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(1) It is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is: a QIB and is aware that the sale to it is being made in reliance on Rule 144A.

(2) It understands and acknowledges that the notes have not been, and will not be, registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.

(3) It understands and acknowledges that the Rule 144A notes will bear a legend in the following form unless otherwise permitted under the Indenture:

THE SECURITIES EVIDENCED HEREBY (THE "SECURITIES") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER, OR AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT;

(2) REPRESENTS THAT EITHER (A) IT IS NEITHER (I) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN, ACCOUNT OR ARRANGEMENT SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR AN ENTITY SUCH AS A COLLECTIVE INVESTMENT FUND, PARTNERSHIP OR SEPARATE ACCOUNT WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT (EACH, A "PLAN") NOR (II) AN EMPLOYEE BENEFIT PLAN THAT IS A GOVERNMENTAL PLAN (AS DEFINED IN SECTION 3(32) OF ERISA), NON-ELECTING CHURCH PLAN (AS DEFINED IN SECTION 3(33) OF ERISA) OR NON-U.S. PLAN (AS DESCRIBED IN SECTION 4(B)(4) OF ERISA) (EACH, A "NON-ERISA ARRANGEMENT") AND IT IS NOT PURCHASING OR HOLDING THE SECURITIES ON BEHALF OF OR WITH "PLAN ASSETS" OF ANY PLAN OR NON-ERISA ARRANGEMENT OR (B) SUCH PURCHASE AND HOLDING OF THE SECURITIES DOES NOT CONSTITUTE AND WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE OR A VIOLATION OF SIMILAR RULES UNDER OTHER APPLICABLE LAWS OR REGULATIONS; AND

(3) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT OFFER, SELL, PLEDGE, OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT:

(A) TO THE ISSUER OR ANY AFFILIATE THEREOF;

(B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT (the Issuer having no obligation to effect any such registration);

(C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT;

(D) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR 904 UNDER REGULATION S UNDER THE SECURITIES ACT; OR

(E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH THE FOREGOING, THE ISSUER AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THIS SECURITY WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE ISSUER AGREES TO PROVIDE PROMPTLY TO THE HOLDER OF THIS SECURITY, UPON WRITTEN REQUEST, THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY WITH RESPECT TO THE SECURITY. ANY SUCH WRITTEN REQUEST SHOULD BE SENT TO THE ISSUER AT THE FOLLOWING ADDRESS: Head of Investor Relations, HO. Investors@cma-cgm.com.

(4) It agrees not to offer, sell, pledge, or otherwise transfer the notes or any beneficial interest herein, except:

(a) to the Issuer or any affiliate thereof;

(b) pursuant to a registration statement that has become effective under the Securities Act (the Issuer having no obligation to effect any such registration);

(c) to a QIB in compliance with Rule 144A under the Securities Act;

(d) in an offshore transaction in compliance with rule 903 or 904 under Regulation S under the Securities Act; or

(e) pursuant to any other available exemption from the registration requirements of the Securities Act.

It will, and each subsequent holder or beneficial owner is required to, notify any subsequent purchaser of notes from it of the restrictions on transfer of such notes.

(5) It acknowledges that neither the Issuer nor the Trustee (as defined herein) will be required to accept for registration of transfer any notes acquired by it except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions on transfer set forth herein have been complied with.

(6) It acknowledges that the Issuer, the Managers and others will rely upon the truth and accuracy of the foregoing representations and agreements and agrees that if any of the representations or agreements deemed to have been made by its purchase of the notes are no longer accurate, it shall promptly notify the Issuer and the Managers. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it

has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each such account.

(7) It acknowledges that the foregoing restrictions apply to holders of beneficial interests in the notes as well as to registered holders of such notes.

(8) On each day from and including the date on which it acquires the notes through and including the date on which it disposes of its interests in such notes, either that (a) it is not an "employee benefit plan" as defined in section 3(3) of ERISA, subject to Title I of ERISA, a "plan" as defined in section 4975 of the Code, to which section 4975 of the Code applies (including individual retirement accounts), an entity whose underlying assets are deemed to include the assets of any such employee benefit plan or plan by reason of U.S. Department of Labor Regulation Section 2510.3-101, as modified by section 3(42) of ERISA, or otherwise, or a governmental, church or non-U.S. plan that is subject to any local, state, federal or non-U.S. law that is a Similar Law or (b) its purchase, holding and disposition of such Note, will not result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, any Similar Law) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied.

LEGAL MATTERS

Cleary Gottlieb Steen & Hamilton LLP, our United States and French counsel, will pass upon the validity of the notes and certain other legal matters relating to the offering with respect to U.S. federal, New York state and French law. Certain legal matters relating to the offering will be passed upon on behalf of the initial purchasers by Cravath, Swaine & Moore LLP with respect to matters of U.S. federal and New York state law and by Bredin Prat with respect to matters of French law.

INDEPENDENT AUDITORS

The free English language translation of the consolidated financial statements of CMA CGM S.A. as of and for the years ended December 31, 2011 and 2012 included in these listing particulars have been audited by PricewaterhouseCoopers Audit and KPMG Audit, a division of KPMG S.A., CMA CGM's statutory auditors, as stated in their reports appearing herein.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are a French company, and a majority of the members of our Board of Directors and other key management are resident outside of the United States. In addition, the majority of our subsidiaries, a majority of our assets and the source of the majority of our cash flow are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons, us or any of our subsidiaries, or to enforce, in U.S. courts or in courts outside the United States, judgments obtained against these persons, us or any of our subsidiaries, particularly judgments obtained in U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States despite the fact that, pursuant to the terms of the indenture, the Issuer has appointed or will appoint an agent for the service of process in New York.

GENERAL INFORMATION

(1) Our registered address is 4 Quai d'Arenc, 13235 Marseilles (Cedex 02), France.

(2) We have applied to list the notes on the Official List of the Luxembourg Stock Exchange and to admission to trading on the Euro MTF market of the Luxembourg Stock Exchange. Notice of any optional redemption, change of control or any change in the rate of interest, as applicable, of the notes will be published in a Luxembourg newspaper of general circulation and may be also published on the website of the Luxembourg Stock Exchange.

(3) The notes have been authorized by resolutions of our Board of Directors, dated November 22, 2013. Except as disclosed in these listing particulars, there has been no material adverse change in our financial condition since our latest audited financial statements. In addition, except as disclosed in these listing particulars, since such date, there has been no material change in our long-term liabilities and fund reserves, in the context of the issue of the notes.

(4) Throughout the term of the notes and from the date hereof, copies of our Articles of Association and the Indenture may be inspected free of charge and copies of these listing particulars and of the Issuer's current audited consolidated annual financial statements and unaudited condensed quarterly financial information will be available free of charge at the office of the Luxembourg Paying Agent. So long as any notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, we will maintain a paying agent and transfer agent in Luxembourg. The Bank of New York Mellon (Luxembourg) S.A. will initially act as paying agent and transfer agent in Luxembourg.

(5) Except as disclosed in these listing particulars, we are neither involved in, nor have any knowledge of a threat of, any litigation, administrative proceedings or arbitration that is or may be material in the context of the issue of the notes.

(6) The notes have been accepted for clearance and settlement through Euroclear and Clearstream with the following Common Codes and ISIN numbers:

The notes sold pursuant to Rule 144A have a common code of 100520834. The notes sold pursuant to Regulation S have a common code of 100520796. The notes sold pursuant to Rule 144A have an ISIN of XS1005208340 and the notes sold pursuant to Regulation S have an ISIN of XS1005207961.

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Nine and three-month periods ended September 30, 2013

Interim Consolidated Income Statement
For the nine and three-month periods ended September 30, 2013

(in USD thousand, except for earnings per share)

	Note	For the nine month period ended September 30, 2013	For the nine month period ended September 30, 2012	For the three month period ended September 30, 2013	For the three month period ended September 30, 2012
REVENUE	(5)	11,990,208	11,949,078	4,104,647	4,193,857
Operating expenses	(6)&(7)	(11,136,719)	(10,920,047)	(3,747,202)	(3,578,786)
Gains on disposal of property and equipment and subsidiaries	(8)	310,814	16,896	(3,368)	1,993
OPERATING PROFIT BEFORE DEPRECIATION, AMORTIZATION, INCOME FROM ASSOCIATESAND JOINT VENTURES AND OTHER NON CASH OPERATING ITEMS	(5)	**1,164,303**	**1,045,927**	**354,077**	**617,064**
Depreciation and amortization of non-current assets	(15)	(318,335)	(305,042)	(108,634)	(102,260)
Other income and expenses	(4)&(9)	(96,552)	(10,698)	(29,961)	(2,773)
Net present value (NPV) benefit related to assets	(10)	91,760	67,116	25,030	20,684
Share of profit (or loss) of associates and joint ventures	(17)	10,828	31,189	(2,832)	7,898
OPERATING PROFIT		**852,003**	**828,491**	**237,680**	**540,613**
Cost of net debt	(11)	(333,718)	(306,966)	(116,495)	(105,086)
Other financial items	(12)	(10,934)	(53,153)	(8,986)	(50,715)
FINANCIAL RESULT		**(344,652)**	**(360,119)**	**(125,480)**	**(155,801)**
PROFIT BEFORE TAX		**507,352**	**468,372**	**112,199**	**384,811**
Income taxes	(13)	(56,256)	(49,908)	(34,323)	(14,916)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**451,096**	**418,465**	**77,876**	**369,896**
Profit / (loss) for the period from discontinued operations		—	(108,818)	—	1,047
PROFIT FOR THE PERIOD	(5)	**451,096**	**309,647**	**77,876**	**370,943**
Attributable to:					
OWNERS OF THE PARENT					
Profit for the period from continuing operations		433,999	393,175	70,427	361,866
Profit for the period from discontinued operations		—	(108,818)	—	1,047
PROFIT FOR THE PERIOD	(5)	**433,999**	**284,357**	**70,427**	**362,913**
NON CONTROLLING INTERESTS					
Profit for the period from continuing operations		17,097	25,290	7,450	8,029
PROFIT FOR THE PERIOD		**17,097**	**25,290**	**7,450**	**8,029**
EARNINGS PER SHARE FOR THE PERIOD					
Earnings per share basic and diluted attributable to the owners of the parent company (in U.S. Dollars) from continuing operations		*30.4*	*31.5*	*5.3*	*27.9*
Earnings per share basic and diluted attributable to the owners of the parent company (in U.S. Dollars) from discontinued operations		—	*(10.3)*	—	*0.1*

Interim Consolidated Statement of Comprehensive Income
For the nine and three-month periods ended September 30, 2013

(in USD thousand)

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2013	**2012**	**2013**	**2012**
PROFIT FOR THE PERIOD	**451,096**	**309,647**	**77,876**	**370,943**
Other comprehensive income reclassifiable to Profit and Loss				
Cash flow hedges:				
Gains / (losses) arising during the period	21,313	(53,039)	7,635	(38,878)
Recycling to the income statement	(15,719)	34,258	(4,468)	10,952
Share of other comprehensive income of associates	476	(9)	1	(9)
Income tax relating to components of other comprehensive income (*):			—	—
Gains / (losses) arising during the period	—	10	33	(0)
Currency translation adjustment related to foreign subsidiaries, associates and joint ventures	3,516	18,155	21,121	30,740
Other comprehensive income non reclassifiable to Profit and Loss				
Actuarial gains (losses) on defined benefit pension plans	38	(9,478)	—	(94)
Total other comprehensive income, net of tax	**9,624**	**(10,103)**	**24,323**	**2,710**
Total comprehensive income for the period	**460,719**	**299,544**	**102,199**	**373,653**
Total comprehensive income attributable to:				
Owners of the parent company	444,237	274,313	95,914	365,085
Non-controlling interest	16,482	25,231	6,285	8,568
	460,719	299,544	102,198	373,653

(*) The income tax related to each component of other comprehensive income is disclosed in note 16

Interim Consolidated Balance Sheet-Assets
As at September 30, 2013

(in USD thousand)

	Note	As at September 30, 2013	As at December 31, 2012
Goodwill	(14)	298,834	298,052
Other intangible assets		203,132	189,932
INTANGIBLE ASSETS		**501,966**	**487,984**
Vessels	(15)	6,209,757	6,041,289
Containers	(15)	666,793	738,442
Land and buildings	(15)	613,236	627,474
Other property and equipment	(15)	111,141	123,532
PROPERTY AND EQUIPMENT		**7,600,927**	**7,530,737**
Deferred tax assets	(16)	53,793	63,103
Investments in associates and joint ventures	(17)	698,105	474,369
Non-current derivative financial instruments	(18)	4,408	4,217
Other non-current financial assets	(19)	867,616	926,392
NON-CURRENT ASSETS		**9,726,815**	**9,486,803**
Inventories	(20)	472,862	484,521
Trade and other receivables	(21)	2,391,308	2,230,527
Current derivative financial instruments	(18)	5,720	12,245
Securities	(22)	118,459	12,005
Cash and cash equivalents	(23)	1,135,846	601,309
Prepaid expenses		181,800	203,427
Assets classified as held-for-sale	(24)	2,124	610,135
CURRENT ASSETS		**4,308,118**	**4,154,169**
TOTAL ASSETS		**14,034,933**	**13,640,971**

Interim Consolidated Balance Sheet-Liabilities & Equity
As at September 30, 2013

(in USD thousand)

	Note	As at September 30, 2013	As at December 31, 2012
Share capital		169,200	169,200
Reserves and retained earnings		3,918,610	3,488,466
Profit / (Loss) for the period attributable to the equity owners of the parent company		433,999	332,037
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		**4,521,809**	**3,989,703**
Non-controlling interests		44,496	49,653
TOTAL EQUITY		**4,566,305**	**4,039,357**
Non-current financial debt (*)	(25)	4,426,343	1,616,881
Non-current derivative financial instruments	(18)	49,773	79,642
Deferred tax liabilities	(16)	36,424	39,598
Provisions and retirement benefit obligations	(26)	288,655	201,720
Non-current deferred income		3,812	14,724
NON-CURRENT LIABILITIES		**4,805,008**	**1,952,566**
Current financial debt (*) (**)	(25)	1,048,956	3,946,270
Current derivative financial instruments	(18)	48,457	53,812
Current portion of provisions	(26)	35,158	14,799
Trade and other payables	(21)	2,979,330	2,774,878
Current deferred income		551,719	644,697
Liabilities associated with assets classified as held-for-sale	(24)	—	214,593
CURRENT LIABILITIES		**4,663,620**	**7,649,049**
TOTAL LIABILITIES & EQUITY		**14,034,933**	**13,640,971**
(*) Total Financial debt current and non-current	(25)	*5,475,299*	*5,563,151*

(**) Including in 2012 the financial debt for which a breach was identified for USD 2,124 million (see Note 25)

Interim Consolidated Statement of changes in Equity
As at September 30, 2013

(in USD thousand, except number of shares)

	Number of shares	Share capital	Premium, legal reserves and retained earnings	Other reserves	Currency translation adjustments	Profit / (Loss) for the period	TOTAL	Non-controlling interests	Total Equity
		Attributable to the equity owners of the parent							
			Reserves						
Balance as at January 1, 2012	**10,578,357**	**169,200**	**3,600,267**	**(79,902)**	**21,934**	**(35,388)**	**3,676,111**	**43,943**	**3,720,054**
Total income & expense for the period recognized directly in other comprehensive income		—	—	(28,254)	18,211	—	**(10,044)**	**(59)**	**(10,103)**
Profit for the period		—	—	—	—	284,357	**284,357**	25,290	**309,647**
Total income & expense for the period		—	—	(28,254)	18,211	284,357	**274,313**	25,231	**299,544**
Allocation of the prior year profit		—	(35,388)	—	—	35,388	**—**	—	**—**
Change in perimeter and transactions with non controlling interests		—	166	—	—	—	**166**	(1,711)	**(1,545)**
Dividends		—	—	—	—	—	**—**	(7,725)	**(7,725)**
Balance as at September 30, 2012	**10,578,357**	**169,200**	**3,565,046**	**(108,156)**	**40,144**	**284,357**	**3,950,591**	**59,738**	**4,010,329**
Balance as at January 1, 2013	**10,578,357**	**169,200**	**3,542,498**	**(102,417)**	**48,384**	**332,037**	**3,989,703**	**49,653**	**4,039,356**
Total income & expense for the period recognized directly in other comprehensive income		—	—	6,070	4,168	—	**10,238**	(616)	9,623
Profit for the period		—	—	—	—	433,999	**433,999**	17,097	**451,096**
Total income & expense for the period		—	—	6,070	4,168	433,999	**444,237**	16,482	**460,719**
Allocation of the prior year profit		—	332,037	—	—	(332,037)	**—**	—	**—**
Equity component of bonds redeemable in shares (see Note 4)			112,939	—	—	—	**112,939**	—	**112,939**
Change in perimeter and transactions with non controlling interests		—	(1,324)	—	1,241	—	**(83)**	(6,174)	**(6,257)**
Dividends		—	(24,988)	—	—	—	**(24,988)**	(15,465)	**(40,453)**
Balance as at September 30, 2013	**10,578,357**	**169,200**	**3,961,163**	**(96,347)**	**53,794**	**433,999**	**4,521,809**	**44,496**	**4,566,305**

Interim Consolidated Cash Flow Statement
For the nine and three-month periods ended September 30, 2013

(in USD thousand)

	Note	For the nine month period ended September 30, 2013	2012	For the three month period ended September 30, 2013	2012
Profit for the period		**451,096**	**309,647**	**77,876**	**370,943**
Reconcilation of profit for the period to cash generated from operations :					
- Depreciation and amortization	(15)	318,335	305,042	108,634	102,260
- NPV benefit related to vessels		(91,760)	(67,116)	(25,030)	(20,684)
- Allowance / (Reversal) of impairment of assets	(4)&(9)	96,552	10,698	29,961	2,773
- Discontinued operations		—	108,818	—	(1,047)
- (Increase) / Decrease in provisions		40,721	25,948	3,952	17,107
- Loss / (Gains) on disposals of property and equipment and subsidiaries	(8)	(310,814)	(16,896)	3,368	(1,993)
- Net fair value (gains) / losses on derivative financial instruments		(21,636)	(40,363)	(6,063)	(33,238)
- Share of (Income) from associates and joint ventures	(17)	(10,828)	(31,189)	2,832	(7,898)
- (Gains) / Losses on disposals and change in fair value of securities		(499)	(997)	(619)	(125)
- Interest expenses on net financial debt		293,631	309,121	111,168	108,820
- Deferred tax	(13)	6,347	9,910	13,241	1,198
- Other non cash items		26,984	19,858	(227)	4,016
- Unrealized exchange (Gain) / Losses		43,481	17,922	35,399	22,822
Changes in working capital :					
- Inventories		10,711	22,358	776	(13,730)
- Trade and accounts receivable		(133,129)	(234,143)	(3,991)	78,006
- Prepaid expenses		(531)	102,628	10,321	(3,556)
- Trade and other payables		120,362	(132,807)	(21,358)	(81,440)
- Deferred income		(54,047)	(53,978)	(42,460)	57
Cash flow from operating activities		**784,977**	**664,461**	**297,780**	**544,292**
Purchases of intangible assets		(16,042)	(18,469)	(6,176)	(5,277)
Disposals of subsidiaries, net of cash divested		514,328	—	(298)	—
Purchases of property and equipment		(168,584)	(39,772)	(31,327)	(17,004)
Increase in assets held-for-sale		(346)	—	—	—
Purchases of non consolidated investments and other financial assets		(2,802)	(44,376)	(51)	(12,984)
Proceeds from disposal of property and equipment		69,943	61,642	15,087	6,886
Proceeds from disposal of assets classified as held-for-sale		8,673	117,902	—	—
Proceeds from the disposal of / (purchase of) securities, net		(113,428)	(1,817)	(115,004)	(9,799)
Proceeds from disposal of financial assets		448	(1,387)	805	102
Dividends received from associates and joint ventures		14,188	6,459	1,759	2,774
Variation in other non-current financial assets		95,426	(144,703)	(31,030)	(103,193)
Net cash provided by / (used for) investing activities		**401,804**	**(64,521)**	**(166,235)**	**(134,810)**
Issuance of bonds redeemable in shares		250,000	—	—	—
Dividends paid to the owners of the parent company and non-controlling interest		(40,453)	(7,725)	(10,654)	(2,702)
Proceeds from bank borrowings, net of issuance costs		209,958	134,379	108,050	34,003
Repayments of bank borrowings		(818,582)	(349,941)	(270,371)	(190,281)
Principal repayments on finance leases		(126,404)	(142,040)	(22,957)	(93,387)
Decrease in liabilities associated with assets held-for-sale		(6,248)	(73,872)	(11)	(355)
Interest paid on net financial debt		(257,162)	(269,338)	(87,865)	(88,033)
Refinancing of assets		72,811	26,211	42,973	21,954
Fees on debt restructuring		(29,566)	—	(152)	—
Interest expenses on late vessels deliveries		(36,094)	—	227	—
Net cash provided by / (used for) financing activities		**(781,740)**	**(682,326)**	**(240,760)**	**(322,487)**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(5,083)	(2,203)	(594)	2,931
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**399,958**	**(84,590)**	**(109,810)**	**89,926**
Cash and cash equivalents as per balance sheet		1,135,846	649,684		
Cash reported in assets held-for-sale		—	—		
Bank overdrafts		(153,452)	(24,056)		
Cash and cash equivalents and bank overdrafts at the end of the period	(23)	**982,394**	**625,628**		
Supplementary information: non cash investing or financing activities:					
- Assets acquired through finance leases or equivalents		*497*	*10,597*	*196*	*1,517*
- Refinancing of vessels		—			
Supplementary information: financial interest:					
- Cash inflow from interest		*9,354*	*4,323*	*3,115*	*448*
- Cash outflow from interest		*(263,872)*	*(273,660)*	*(93,517)*	*(96,184)*

Notes to the Interim Condensed Consolidated Financial Statements

1. Corporate information

The interim condensed consolidated financial statements of CMA CGM S.A. ("CMA CGM") and its subsidiaries (hereafter referred to together as "the Group" or "the Company") for the nine and three month periods ended September 30, 2013 were approved by the Board of Directors on November 22, 2013.

The Group is headquartered in France and is the third largest container shipping company in the world. The Group operates primarily in the international containerized transportation of goods. Its activities also include container terminal operations and transport by rail, road and river.

CMA CGM S.A. is a limited liability company ("Société Anonyme") incorporated and located in France. The address of its registered office is 4, Quai d'Arenc, 13002 Marseille, France.

2. Accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements of CMA CGM for the nine and three month periods ended September 30, 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and under the historical cost basis, with the exception of available-for-sale financial assets and derivative financial instruments which have all been measured at fair value.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with IFRS as adopted by the European Union, and should be read in conjunction with the Group's audited annual report for the year ended December 31, 2012.

The interim condensed consolidated financial statements are presented in U.S. Dollars (USD), which is also the currency of the primary economic environment in which CMA CGM S.A. operates (the 'functional currency'), and all values are rounded to the nearest thousand (USD 000) except where otherwise indicated.

2.2 Change in accounting policies and new accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements have been applied consistently with those described in the annual financial statements for the year ended December 31, 2012, except as outlined in the paragraphs below.

Adoption of new and amended IFRS and IFRIC interpretations from January 1, 2013

- IFRS 13—Fair value measurement

IFRS 13 does not change when fair value is used, but rather describes how to measure fair value when fair value is required or permitted by IFRS. Fair value under IFRS 13 is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (i.e., an "exit price").

The standard provides clarification on a number of areas concerning the measurement of fair value. New disclosures related to fair value measurements are also required to help users understand the valuation techniques and inputs used to develop fair value measurements and the effect of fair value measurements on profit or loss. The adoption of this standard did not have any impact on these interim condensed consolidated financial statements.

- Amendment to IAS 1—Presentation of financial statements

The amendments to IAS 1 changes the grouping of items presented in the OCI. Items that would be reclassified (or recycled) to profit or loss in the future (for example, the effective portion of gains and losses on hedging instruments in a cash flow hedge) should be presented separately from items that will never be reclassified. As the Company already applied such presentation, the adoption of this amendment did not have any impact on these interim condensed consolidated financial statements.

- Amendment to IAS 12—Deferred tax—Recovery of underlying assets

The amendment to IAS 12 introduces a rebuttable presumption that deferred tax on investment properties measured at fair value will be recognized on a sale basis, unless an entity has a business model that would indicate the investment property will be consumed in the business. The amendment also introduces the requirement that deferred tax on non-depreciable assets measured using the revaluation model in IAS 16 should always be measured on a sale basis. The adoption of this amendment did not have any impact on these interim condensed consolidated financial statements.

- Amendments to IFRS 7—Disclosures on offsetting

This amendment requires an entity to disclose information about rights of set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set off in accordance with IAS 32. The adoption of this amendment did not have any impact on these interim condensed consolidated financial statements.

- Improvements to IFRS—2009—2011 cycle

This cycle includes 6 amendments to 5 standards. Their application did not have any impact on these interim condensed consolidated financial statements.

As presented in the 2012 annual consolidated financial statements, the Company early adopted the revised version of IAS 19 which was published in September 2011 and endorsed by the European Union in September 2012.

New IFRS and IFRIC interpretations effective for the financial year beginning after January 1, 2013 and not early adopted

The following standards and amendments to existing standards have been published and will be mandatory for the Group's accounting periods beginning after January 1, 2013:

- IFRS 10—Consolidated Financial Statements
- IFRS 11—Joint arrangements
- IFRS 12—Disclosure of interests in other entities
- Amendment to IAS 27—Separate financial statements
- Amendment to IAS 28—Associates and joint ventures
- IFRS 9—Financial instruments (replacement of IAS 39)

The impact resulting from the application of these standards, amendments and interpretations which the Company has not yet early adopted is currently being assessed.

A new exposure draft was issued in May 2013 by the Board of IASB regarding the accounting for leases which may have a significant impact on the Group's balance sheet and income statement. The future standard, which shall not be applicable before 2017, should end the distinction between operating and finance leases. This will lead to the recording as a liability in the balance sheet of certain lease commitments currently disclosed in the notes to the financial statements. Certain operating lease expenses currently recorded within operating expenses will be split into an amortization expense of an intangible asset and a financial expense, except for the running costs which will remain accounted for as an operating expense.

2.3 Seasonality

The Company experiences seasonality in its activity characterized by a recurring high level of demand in the summer-fall period where peak season surcharges are applied. As a result of these seasonal fluctuations, the Company's cash flows from operations and revenue are not evenly distributed between quarters over the year.

3. Financial risk management objectives & policies

Financial risk management objectives and policies are disclosed in Note 3 of the annual Consolidated Financial Statements as at December 31, 2012.

Specific evolutions in the nine month period have been disclosed in the notes below.

4. Significant events occurred during the nine-month period

Investment of Yildirim and FSI and finalization of the debt restructuring

On January 31, 2013, Yildirim Group, an equity holder of the Company, subscribed to new bonds mandatorily redeemable in shares for an amount of USD 100 million giving right to a 4% stake in CMA CGM upon conversion. These bonds bear interest at 12% per annum payable in cash till their maturity in December 31, 2017. Due to these characteristics, the transaction resulted in an increase in the Company's reserves of USD 56 million and an increase of the financial debt amounting to USD 44 million corresponding to the net present value of interest payable during the 5 year period (see Note 28).

On February 12, 2013, the Company's lenders agreed to a new debt restructuring program including modified covenants to take into account the industry's volatility and a partial extension of the existing revolving credit facility into new secured term loans. Consequently, the financial debt for which a breach was identified as at December 31, 2012, amounting to USD 2,125 million, and which was presented within current liabilities as at December 31, 2012, is now presented within non-current and current liabilities according to the renegotiated contractual maturities.

On June 28, 2013, the French Fonds Stratégique d'Investissement (FSI) subscribed to bonds mandatorily redeemable in shares for an amount of USD 150 million giving right to a 6% stake in CMA CGM upon conversion. These bonds bear interest at 12% per annum payable in cash. The transaction resulted in an increase in the Company's reserves of USD 56 million and an increase of the financial debt amounting to USD 94 million corresponding to the net present value of interest payable during the 8 year period (see Note 28).

Disposal and reorganization of the terminal operations

As part of a global reorganization of its terminal operations, on June 11, 2013, the Company sold a 49% stake in Terminal Link to China Merchants Holding International (CMHI), the largest public port operator in China, for a cash consideration of USD 528 million. Terminal Link operates a global network of 14 terminals located in Europe, Asia, North America and Africa. 13 of these terminals are fully operational and one is currently under construction. The contractual arrangement between CMHI and CMA CGM over Terminal Link results in accounting joint control whereby the power to govern the financial and operational policies of the company is jointly shared. As a result, the investment in Terminal Link is accounted for under the equity method as of the date of the transaction.

The Company still owns and operates certain terminals that were not transferred as part of the transaction and which have been regrouped under the entity CMA Terminals. The Company regularly monitors and assesses the competitive positioning of these terminals which may impact the way the terminals are operated. This has a direct impact on the level of capital investment required and the generation of future cash flows. Taking this into account, the Company has reviewed the value in use for each terminal on the basis of the present value of the future cash flows expected to be generated. When the value in use is less than the carrying value of the assets, an impairment charge is recognized.

The accounting impact of the reorganization of the terminal operations can be analyzed as follows (in USD thousand):

Cash consideration received from CMHI for 49% stake	***(a)***	**528,000**
Estimated fair value of guarantees granted to CMHI (*)	*(b)*	89,101
Fair value of the consideration received for 49% stake	***(c) = (a) - (b)***	**438,899**
Estimated fair value for 100% of Terminal Link	***(d) = (c) / 49%***	**895,712**
Carrying amount of assets and liabilities at disposal date		
Investments in associates and joint ventures		204,621
Assets classified as held-for-sale		595,544
Liabilities associated with assets classified as held-for-sale		(205,590)
Total	***(e)***	**594,575**
Gain on disposal of Terminal Link (see Note 8)	***(d) - (e)***	**301,138**
Impairment on terminals retained by CMA Terminals (see Note 9)		**(59,138)**
Gain resulting from the reorganization of the terminal activities		**242,000**

(*) As part of the transaction, CMA CGM has agreed to guarantee a certain level of dividends payable to CMHI regardless of the capacity of Terminal Link to distribute such dividends. Based on the latest business plan available and the most probable level of future cash flows expected to be generated by Terminal Link, the estimated fair value of this guarantee is USD 89,101 thousand (see Note 26).

At transaction date, the impact of the above transaction on the assets and liabilities of the Company was as follows (in USD thousand):

Investment in associates and joint ventures—Recognition of 51% of Terminal Link under the equity method at fair value (895,712 * 51%)	456,813
Provision—Estimated fair value of guarantees granted to CMHI	89,101

Delivery of 16,000 TEUs vessels Jules Verne and Alexander Von Humboldt

In April 2013, the Company took delivery of two vessels, the CMA CGM Jules Verne and the CMA CGM Alexander Von Humboldt, each capable of carrying up to 16,000 TEUs. The delivery has been mainly financed by debt.

Relocation of the operational and administrative functions of the brand Delmas

On June 19, 2013, the Group announced their project to relocate the operational and administrative departments of the brand Delmas, from Le Havre to Marseille, with the objective of steering the business in the most efficient way.

Ordering of vessels

As disclosed in Note 27, the Company:

- ordered three 16,000 TEU container vessels to be delivered in 2015, for which financing has been obtained; and
- reached an amicable agreement with a shipyard regarding 3 vessels which were under negotiations.

Raising of the Group's credit rating

On July 15, 2013, the international rating agency Standard & Poor's revised the Group's corporate credit rating upwards from B- to B with a "positive outlook". On October 15, 2013, the credit rating was also upgraded from B3 to B2 by Moody's (see Note 29 "Post balance sheet events").

P3 network

Maersk Line, Mediterranean Shipping Co. and CMA CGM have announced plans to form a long-term operational alliance on the major east-west trades. The P3 Network alliance will operate a fleet of 255 vessels with a total capacity of 2.6 million 20-foot-equivalent units on 29 service loops on Asia-Europe, trans-Pacific and trans-Atlantic routes.This network is expected to begin operations in the second quarter of 2014, subject to regulatory approval.

Greenmodal internal restructuring

On January 1, 2013, River Shuttle Container, Land Transport International France and Rail Link Europe merged into Greenmodal. This internal restructuring did not have any impact on the Group's consolidated financial statements.

5. Operating segments

For management purposes, the Group reports two operating segments: container shipping activity, which represented approximately 93% of revenue during the nine month period ended September 30, 2013 and other activities. CMA CGM is organized as a worldwide container carrier, managing its customer base and fleet of vessels and containers on a global basis. Other activities include container terminal operations and transport by rail, road and river.

Certain items are unallocated as management considers that they do not affect the ongoing operating performance of the Group. For the nine month period ended September 30, 2013, these mainly include (i) the impact of the disposal of the 49% stake in Terminal Link, (ii) the impairment on terminals retained by CMA Terminals, (iii) certain waiver fees and restructuring fees that could not be amortized using the effective interest method (see Note 10), and (iv) interest expenses on late payments for vessels under construction (see Note 11).

Unallocated items for the nine month period ended September 30, 2012 mainly related to the discontinuation of its cruise division, Compagnie du Ponant.

Segment performance is evaluated by management based on the following measures:

- Revenue
- EBITDA
- Profit / (Loss) for the period

The segment information for the reportable segments for the nine month period ended September 30, 2013 is as follows:

Operational segments in USD thousand	Revenue	EBITDA	Profit / (Loss) for the period
Total container shipping segment	11,096,209	703,843	202,215
Other activities	893,999	165,999	104,786
Unallocated items	—	294,461	144,095
Total consolidated measures	**11,990,208**	**1,164,303**	**451,096**

EBITDA corresponds to the line item "Operating profit before depreciation, amortization, income from associates and joint ventures and other non-cash operating items" presented in the consolidated income statement. EBITDA is a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations. The Company believes that the presentation of EBITDA is a relevant aggregate to management for decision making purposes. EBITDA is not defined in IFRS and should not be considered as an alternative to Profit for the period, Operating profit or any other financial metric required by such accounting principles.

The segment information for the reportable segments for the nine month period ended September 30, 2012 is as follows:

Operational segments in USD thousand	Revenue	EBITDA	Profit / (Loss) for the period
Total container shipping segment	11,060,139	877,937	223,796
Other activities	888,939	167,990	228,108
Unallocated items	—	—	(142,257)
Total consolidated measures	**11,949,078**	**1,045,927**	**309,647**

6. Operating expenses

Operating expenses are analyzed as follows:

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2013	2012	2013	2012
Bunkers and consumables	(2,673,901)	(2,909,027)	(898,959)	(894,348)
Chartering and slots purchases	(1,329,100)	(1,306,893)	(449,997)	(415,143)
Handling and stevedoring	(2,676,728)	(2,537,711)	(924,191)	(891,062)
Transportation	(1,244,125)	(1,152,841)	(432,074)	(373,792)
Port and canal	(823,153)	(761,232)	(287,226)	(263,126)
Logistic	(913,293)	(836,450)	(306,201)	(274,047)
Employee benefits	(837,830)	(808,692)	(268,147)	(275,868)
General and administrative other than employee benefits	(460,350)	(459,321)	(140,006)	(162,192)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(41,266)	(20,026)	(1,372)	(13,010)
Operating exchange gains / (losses), net	13,459	12,612	14,640	21,325
Other operating expenses	(150,431)	(140,466)	(53,670)	(37,523)
Operating expenses	**(11,136,719)**	**(10,920,047)**	**(3,747,202)**	**(3,578,786)**

The Company managed to limit the impact of growing volumes and the continuing development of its activities on the level of its operating expenses. The Company mainly benefited from the relative reduction in fuel prices and from its cost reduction plan.

7. Employee benefits

Employee benefit expenses are analyzed as follows:

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2013	2012	2013	2012
Wages and salaries	(658,811)	(640,799)	(205,271)	(220,679)
Social security costs	(147,012)	(134,920)	(51,501)	(44,576)
Pension costs	(7,193)	(12,193)	(4,121)	(3,732)
Other expenses	(24,813)	(20,780)	(7,253)	(6,880)
Employee benefits	**(837,830)**	**(808,692)**	**(268,147)**	**(275,868)**

8. Gains on disposal of property and equipment and subsidiaries

Gains / (losses) on disposal of property and equipment and subsidiaries consist of the following:

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2013	2012	2013	2012
Disposal of vessels	(3,160)	(1,902)	(4,074)	153
Disposal of containers	12,445	19,500	1,199	1,456
Other fixed assets disposal	219	(702)	(48)	384
Disposal of subsidiaries (see Note 4)	301,310	—	(445)	—
Gains on disposal of property and equipment and subsidiaries	**310,814**	**16,896**	**(3,368)**	**1,993**

As disclosed in Note 4, the disposal of the 49% stake in Terminal Link resulted in an accounting gain amounting to USD 301 million.

9. Other income and expenses

Other income and expenses can be analyzed as follows (in USD thousand):

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2013	2012	2013	2012
(Allowance) / Reversal on shipyards prepayments or provisions	(31,850)	—	(23,800)	—
Impairment of assets (see Note 4)	(59,138)	(10,698)	(6,000)	(2,773)
Other	(5,565)	—	(161)	—
			—	—
Other income and expense	**(96,552)**	**(10,698)**	**(29,961)**	**(2,773)**

As disclosed in Note 4, the reassessment of the competitive positioning of the terminals retained by the Company resulted in a revision of their value in use and accordingly, an impairment charge amounting to USD (59) million was recorded.

Other income and expenses include (i) the reversal of an unused provision related to a litigation with a ship-owner for USD 12 million (see Note 26) and (ii) an impairment amounting to USD (42) million related to the unrecoverable portion of certain prepayments for vessels under construction (see Note 27).

10. NPV benefits related to assets financed by tax leases

As disclosed in Note 2 of the annual consolidated financial statements, the Company recognizes the cost of vessels as property and equipment, and the net present value ("NPV") of future lease payments as obligations under finance leases, the difference (NPV benefits) being amortized over the tax financing period.

11. Cost of net debt

Cost of net debt is analyzed as follows:

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2013	2012	2013	2012
Interest income on cash and cash equivalents	9,354	6,639	3,115	2,764
Interest expense on financial debt	(256,928)	(266,145)	(87,866)	(91,213)
Financial cost related to debt restructuring	(29,971)	(11,653)	(2,280)	(4,306)
Interest rate and foreign currency financial derivatives	(32,761)	(30,787)	(17,230)	(3,888)
Foreign currency exchange gains / (losses) on financial debt	(23,412)	(5,021)	(12,233)	(8,445)
Cost of net debt	**(333,718)**	**(306,966)**	**(116,495)**	**(105,086)**

Foreign currency exchange gains / (losses) relate to realized exchange gains and losses on financial debt. The unrealized portion of such exchange gains and losses is presented within "Other financial items" (see Note 12).

Financial cost related to debt restructuring corresponds to certain waiver fees and restructuring fees that could not be amortized using the effective interest method. When applicable, the Company defers transaction costs related to debt financing obtained or in progress. Such transaction costs are amortized using the effective interest rate method.

12. Other financial items

Other financial items consist of the following:

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2013	**2012**	**2013**	**2012**
Interests for deferred payments to shipyards	(4,382)	(16,930)	—	(5,900)
Change in fair value and settlement of derivative instruments that do not qualify for hedge accounting	(7,728)	(10,202)	(4,820)	(14,292)
Change in fair value of financial assets at fair value through profit and loss	327	3,449	550	2,294
Result from disposal of financial assets at fair value through profit and loss	442	(2,185)	83	(2,109)
Foreign currency exchange gains / (losses) on financial operations	3,317	(16,916)	(9,620)	(28,356)
Other financial income and expense, net	(2,909)	(10,369)	4,821	(2,351)
Other financial items	**(10,934)**	**(53,153)**	**(8,986)**	**(50,715)**

Certain payments to shipyards have been postponed, resulting in interest paid or payable recorded as a financial expense.

Change in fair value and settlement of derivative instruments that do not qualify for hedge accounting reflects the volatility of fuel prices, currencies and interest rates during the periods.

Foreign currency exchange gain on financial operations in the nine month period ended September 30, 2013 is mainly due to the month-end revaluation of the financial debt held in euros.

13. Income taxes

Income taxes consist of the following:

	For the nine month period ended September 30,		For the three month period ended September 30,	
	2013	**2012**	**2013**	**2012**
Current tax	(49,909)	(39,998)	(21,082)	(13,718)
Deferred tax	(6,347)	(9,910)	(13,241)	(1,197)
Income Taxes	**(56,256)**	**(49,908)**	**(34,323)**	**(14,916)**

As at September 30, 2013, a provision amounting to USD 5 million was accounted, in relation to a tax risk in one of the Group's subsidiary located in Taiwan.

14. Goodwill

Goodwill is analyzed as follows:

	As at September 30, 2013	**As at December 31, 2012**
Beginning of the period	**298,052**	**393,098**
Reclassification to assets held-for-sale (see note 24)	—	(101,573)
Impairment	—	(343)
Foreign currency translation adjustment	781	6,869
At the end of the period	**298,834**	**298,052**
of which:		
Allocated to container shipping	*280,224*	*279,716*
Allocated to other activities	*18,610*	*18,336*

There was no occurrence of any indication of impairment in the nine month period ended September 30, 2013 and the year ended December 31, 2012.

15. Property and equipment

Property and equipment are analyzed as follows:

	As at September 30, 2013	As at December 31, 2012
Vessels		
Cost	7,445,431	7,128,646
Accumulated depreciation	(1,235,674)	(1,087,357)
	6,209,757	**6,041,289**
Containers		
Cost	1,084,579	1,145,191
Accumulated depreciation	(417,786)	(406,749)
	666,793	**738,442**
Land and buildings		
Cost	724,398	718,307
Accumulated depreciation	(111,162)	(90,833)
	613,236	**627,474**
Other property and equipment		
Cost	284,979	275,393
Accumulated depreciation	(173,838)	(151,861)
	111,141	**123,532**
Total		
Cost	**9,539,388**	**9,267,537**
Accumulated depreciation	**(1,938,461)**	**(1,736,800)**
Property and equipment	**7,600,927**	**7,530,737**

As at September 30, 2013, assets held under capital leases, tax lease agreements and other similar arrangements included in the above table represented a cost of USD 3,117 million (USD 3,229 million as at December 31, 2012) and an accumulated depreciation of USD 508 million (USD 502 million as at December 31, 2012).

Prepayments made to shipyards relating to vessels under construction are presented within "Vessels" and amount to USD 173 million as at September 30, 2013 (USD 197 million as at December 31, 2012).

As disclosed in Note 9 and Note 27, USD 42 million of prepayments made in relation to vessel orders have been written off, impacting the line item "Other income and expenses".

Variations in the cost of property and equipment for the nine month period ended September 30, 2013 and the year ended December 31, 2012 are analyzed as follows:

Cost of Property and equipment	Vessels			Containers	Land and buildings	Other property and equipment	Total
	Owned	Leased	In-progress				
As at January 1, 2012	**4,206,157**	**2,705,203**	**271,624**	**1,172,734**	**703,660**	**345,336**	**9,404,714**
Acquisitions	7,528	4,801	167,361	56,740	3,198	20,269	259,896
Acquisitions of subsidiaries	—	—	—	—	—	426	426
Disposals	(58,177)	(114,339)	—	(84,490)	(9,518)	(9,130)	(275,653)
Reclassification from financial deposits (see Note 19)	—	—	(45,909)	—	—	—	(45,909)
Reclassification to assets held-for-sale	(29,446)	—	—	—	13,475	(84,453)	(100,424)
Vessels put into service and exercise of purchase option	116,264	80,176	(196,440)	—	—	—	—
Other reclassification	1	(1)	—	—	(1,253)	1,609	355
Foreign currency translation adjustment	(154)	13,997	—	207	8,745	1,336	24,131
As at December 31, 2012	**4,242,173**	**2,689,837**	**196,635**	**1,145,191**	**718,307**	**275,393**	**9,267,535**
Acquisitions	23,319	82	413,227	7,382	1,933	14,463	460,406
Acquisitions of subsidiaries	(0)	0	—	—	—	6	5
Disposals	(71,560)	—	—	(67,264)	(1,363)	(3,338)	(143,525)
Disposals of subsidaries	—	—	—	—	(4,234)	(20)	(4,254)
Adjustment linked to an agreement with shipyard (see Note 27)	—	—	(43,822)	—	—	—	(43,822)
Vessels put into service and exercise of purchase option	499,350	(106,741)	(392,609)	—	—	—	—
Other reclassification	—	(4)	0	(28)	(1,092)	1,113	(11)
Foreign currency translation adjustment	(27)	(4,430)	—	(703)	10,847	(2,638)	3,051
As at September 30, 2013	**4,693,255**	**2,578,745**	**173,431**	**1,084,579**	**724,398**	**284,979**	**9,539,387**

As at September 30, 2013 the Company operates 81 vessels owned or under finance lease or equivalent agreements (84 as at December 31, 2012). At the balance sheet date, 6 vessels are under construction as disclosed in Note 4 (2 vessels under construction as at December 31, 2012).

Purchases of property and equipment amounted to USD 460.4 million in 2013 (USD 259.9 million in 2012), of which USD 579 thousand were financed under capital leases or similar arrangements (USD 208 million as at December 31, 2012).

Variations in the accumulated depreciation for the nine month period ended September 30, 2013 and the year ended December 31, 2012 are analyzed as follows:

Depreciation of Property and equipment	Vessels Owned	Vessels Leased	Vessels In-progress	Containers	Land and buildings	Other property and equipment	Total
As at January 1, 2012	**(635,114)**	**(269,267)**	**—**	**(400,435)**	**(65,940)**	**(152,536)**	**(1,523,292)**
Depreciation	(161,403)	(93,302)	—	(54,059)	(26,352)	(27,124)	(362,240)
Disposals	32,008	32,659	—	47,801	4,188	7,811	124,466
Impairment	(28,884)	—	—	—	—	—	(28,884)
Reclassification to assets held-for-sale	40,218	—	—	—	(1,468)	20,581	59,331
Exercise of purchase option and other reclassification	(23,454)	23,454	—	—	(107)	(168)	(274)
Foreign currency translation adjustment	132	(4,404)	—	(54)	(1,155)	(426)	(5,907)
As at December 31, 2012	**(776,496)**	**(310,861)**	**—**	**(406,749)**	**(90,833)**	**(151,861)**	**(1,736,800)**
Depreciation	(130,741)	(68,484)	—	(41,010)	(20,063)	(25,718)	(286,016)
Disposals	49,758	—	—	29,877	524	2,754	82,913
Disposals of subsidaries	—	—	—	—	512	14	526
Exercise of purchase option and other reclassification	(80,285)	80,289	—	28	183	(214)	1
Foreign currency translation adjustment	108	1,037	—	69	(1,485)	1,188	915
As at September 30, 2013	**(937,656)**	**(298,018)**	**—**	**(417,786)**	**(111,162)**	**(173,838)**	**(1,938,462)**

The net book value of property and equipment at the opening and closing of each period presented are analyzed as follows:

Net book value of Property and equipment	Vessels Owned	Vessels Leased	Vessels In-progress	Containers	Land and buildings	Other property and equipment	Total
As at September 30, 2013	3,755,599	2,280,727	173,431	666,793	613,236	111,141	**7,600,925**
As at December 31, 2012	3,465,677	2,378,977	196,635	738,442	627,474	123,532	**7,530,736**
As at January 1, 2012	3,571,043	2,435,936	271,624	772,299	637,720	192,800	**7,881,422**

The net book value of the containers as at September 30, 2013 includes USD 288 million related to containers under finance leases (USD 306 million as at December 31, 2012).

16. Deferred taxes

Deferred taxes components are as follows:

Deferred tax assets	As at September 30, 2013	As at December 31, 2012
Investment tax credit	—	10
Tax losses carried forward	41,533	43,063
Retirement benefit obligations	8,469	13,179
Other temporary differences	3,791	6,851
Total deferred tax assets	**53,793**	**63,103**

Deferred tax liabilities	As at September 30, 2013	As at December 31, 2012
Revaluation and depreciation of property and equipment	18,822	22,494
Undistributed profits from subsidiaries	15,557	15,825
Other temporary differences	2,045	1,279
Total deferred tax liabilities	**36,424**	**39,598**

Amounts of taxes recognized directly within other comprehensive income are as follows:

	For the nine month period ended September 30,					
	2013			2012		
Other Comprehensive Income	**Before-tax amount**	**Tax**	**Net-of-tax amount**	**Before-tax amount**	**Tax**	**Net-of-tax amount**
Profit for the period	**507,352**	**(56,256)**	**451,096**	**359,554**	**(49,908)**	**309,647**
Other comprehensive income						
Cash flow hedges	5,594	—	5,594	(18,780)	—	(18,780)
Gains on property revaluation	(0)	—	(0)	0	—	0
Actuarial gains (losses) on defined benefit pension plans	38	—	38	(9,478)	10	(9,469)
Share of other comprehensive income of associates	476	—	476	(9)	—	(9)
Exchange differences on translating foreign operations	3,516	—	3,516	18,155	—	18,155
Other comprehensive income for the period, net of tax	9,624	—	9,624	(10,112)	10	(10,103)
Total comprehensive income for the period	**516,975**	**(56,256)**	**460,719**	**349,442**	**(49,898)**	**299,544**

17. Investments in associates and joint ventures

Investments in associates and joint ventures are presented as follows:

	As at September 30, 2013	As at December 31, 2012
Beginning of the period	**474,369**	**624,900**
Revaluation of retained investment at fair value	254,316	836
Disposal	0	9,771
Share of (loss) / profit	(21,058)	39,106
Dividends received	(14,188)	(7,260)
Other comprehensive income	475	(973)
Reclassification to assets held-for-sale (see Note 24)	(2,124)	(199,526)
Other reclassification	—	(742)
Foreign currency translation adjustment	6,316	8,256
At the end of the period	**698,105**	**474,369**

The revaluation of retained investment mainly corresponds to the difference between the fair value of the 51% investment in Terminal Link which the Company continues to hold amounting to USD 456,813 thousand and its carrying amount prior to the reorganization amounting to USD 204,621 thousand (see Note 4).

The line item "Share of (loss) / profit" corresponds to the Company's share in the profit or loss of its associates and joint ventures.

In 2013, this line item includes (i) an impairment charge of USD (26) million related to certain terminals in Egypt and Vietnam accounted for under the equity method (the Company respectively owns a 20% and 25% shareholding) and (ii) the recycling of the currency translation adjustment reserve for an amount of USD (6) million corresponding to the terminals disposed of as part of the sale to CMHI.

18. Derivative financial instruments

Derivative financial instruments are analyzed as follows:

	As at September 30, 2013		As at December 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Interest swaps—cash flow hedge	—	81,455	—	116,484
Interest swaps—not qualifying to hedge accounting	8,754	16,559	7,884	16,970
Bunker hedge—not qualifying to hedge accounting	1,335	—	8,467	—
Currency forward contracts	39	216	111	—
Total derivative financial instruments	**10,128**	**98,230**	**16,462**	**133,454**
of which non-current portion (greater than 1 year)	*4,408*	*49,773*	*4,217*	*79,642*
of which current portion (less than 1 year)	*5,720*	*48,457*	*12,245*	*53,812*

In October 2013, the Company has settled all previously outstanding hedging instruments relating to bunkers.

19. Other financial assets

Other financial assets are analyzed as follows:

Other financial assets gross	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at January 1, 2012	**67,731**	**102,898**	**296,082**	**276,474**	**240,160**	**983,345**
Acquisitions	44,197	156,200	170,349	2,526	54,861	428,134
Acquisitions of subsidiaries	(0)	—	158	—	—	158
Transfer to investments in associates	(836)	—	—	—	—	(836)
Disposals	(2,468)	(5,692)	(13,257)	(204,378)	(3,339)	(229,135)
Reclassification to assets held-for-sale	(27,812)	(201)	(8,164)	(71,591)	(4,454)	(112,222)
Prepayments related to vessels under construction (see Note 15)	—	—	—	—	45,909	45,909
Reclassification to / from other assets	(162)	(63)	(2,571)	162	(2,850)	(5,484)
Foreign currency translation adjustment	72	8,523	(2,564)	321	2,130	8,482
As at December 31, 2012	**80,722**	**261,666**	**440,033**	**3,514**	**332,417**	**1,118,351**
Acquisitions	2,803	35,770	61,397	12,958	49,149	162,078
Disposals	(1)	(105,128)	(100,382)	(465)	(1,704)	(207,680)
Disposals of subsidaries	(161)	0	0	0	(0)	(161)
Reclassification to / from other assets	(585)	12,386	97	—	(521)	11,378
Foreign currency translation adjustment	(38)	(923)	(2,978)	639	3,856	555
As at September 30, 2013	**82,738**	**203,770**	**398,167**	**16,647**	**383,197**	**1,084,519**

Other financial assets impairment	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at January 1, 2012	**(8,899)**	**(494)**	**—**	**(3,440)**	**(122,710)**	**(135,543)**
Additions for the year	(15)	(16,876)	—	(2,106)	0	(18,997)
Reversals during the year	3,183	160	—	5,547	—	8,889
Prepayments related to vessels under construction	—	—	—	—	(13,859)	(13,859)
Reclassification from provision for risks	—	—	—	—	(32,050)	(32,050)
Foreign currency translation adjustment	(17)	(384)	—	—	—	(400)
As at December 31, 2012	**(5,748)**	**(17,593)**	**—**	**—**	**(168,619)**	**(191,960)**
Additions for the period	(192)	(24,349)	—	—	—	(24,541)
Reversals during the period	—	3	—	—	—	3
Reclassification to / from other assets	—	23	—	—	(23)	—
Foreign currency translation adjustment	(20)	(388)	—	—	(0)	(408)
As at September 30, 2013	**(5,960)**	**(42,304)**	**—**	**—**	**(168,642)**	**(216,906)**

Net book value of Other financial assets	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at September 30, 2013	76,778	161,466	398,167	16,647	214,555	867,613
As at December 31, 2012	74,974	244,073	440,033	3,514	163,798	926,391
As at January 1, 2012	58,832	102,404	296,082	273,034	117,450	847,802

Loans

Included in "Loans" are:

- a vendor loan granted in 2012 to Compagnie du Ponant as part of the sale of this company, amounting to USD 54 million as at September 30, 2013 (USD 86 million as at December 31, 2012);
- loans granted to associates and joint ventures, including a loan advance to Terminal Link covering the next dividend payable to CMHI amounting to USD 31.5 million (see Note 4).

Certain loans amounting to USD 75 million, granted in 2012 by the Company to the benefit of several financial institutions as part of a global financing arrangement, have been repaid to the Company during the nine month period ended September 30, 2013, following the new debt restructuring program.

Deposits

Included in "Deposits" are mainly:

- USD 154 million as at September 30, 2013 (USD 200 million as at December 31, 2012) of cash deposited in escrow accounts in relation to certain loan-to-value provisions in financing agreements; and
- USD 117 million as at September 30, 2013 (USD 138 million as at December 31, 2012) of cash deposits which do not qualify as available cash.

Change in deposits is presented within "Variation in other long-term investments" in the consolidated cash flow statement.

Receivables from associates

In 2012 certain "Receivables from associates" related to terminal activities were reclassified to assets held for sale (see Note 24).

Other financial assets

"Other financial assets" include:

- USD 45 million as at September 30, 2013 (USD 45 million as at December 31, 2012) related to preferred shares of Global Ship Lease, Inc., which CMA CGM has accepted to hold until August 14, 2016;
- USD 159 million as at September 30, 2013 (USD 108 million as at December 31, 2012) of financial deposits representing the tax advantage to be received at the end of the lease term; and
- USD 168 million as at September 30, 2013 (USD 168 million as at December 31, 2012) of prepayments paid related to vessel orders under discussion with shipyards. As at September 30, 2013 the full amount of such prepayments is impaired (same as at December 31, 2012).

20. Inventories

Inventories are detailed below:

	As at September 30, 2013	As at December 31, 2012
Bunkers	437,723	444,878
Lube oil	15,117	21,406
On land	18,420	16,822
On board	2,643	3,337
Provision for obsolescence	(1,040)	(1,921)
Inventories	**472,862**	**484,521**

21. Trade and other receivables and payables

Trade and other receivables are analyzed as follows:

	As at September 30, 2013	As at December 31, 2012
Trade receivables	1,893,197	1,785,712
Less impairment of trade receivables	(82,692)	(84,872)
Trade receivables net	**1,810,506**	**1,700,840**
Prepayments	67,302	63,611
Other receivables net, including taxes	374,417	349,040
Employee, social and tax receivables	139,082	117,036
Trade and other receivables	**2,391,308**	**2,230,527**

Movements in the impairment of trade receivables are as follows:

	As at September 30, 2013	As at December 31, 2012
Beginning of the period	**(84,872)**	**(62,266)**
Addition to impairment of receivables	(7,515)	(51,057)
Reversal of impairment of receivables	10,238	29,220
Foreign currency translation adjustment	(543)	(769)
At the end of the period	**(82,692)**	**(84,872)**

Trade and other payables are analyzed as follows:

	As at September 30, 2013	As at December 31, 2012
Trade payables	1,224,405	1,049,826
Accruals for port call expenses, transportation costs, handling services and other payables	1,524,003	1,526,192
Employee, social and tax payables	230,922	198,860
Trade and other payables	**2,979,330**	**2,774,878**

Other payables include an amount payable in euros of USD 57 million owed to Merit Corporation, a related party (USD 56 million as at December 31, 2012). This payable bears interest at 7% per annum and corresponds to dividends declared by the Company in 2007 and 2008 but which have not yet been paid.

22. Securities

Securities include the following:

	As at September 30, 2013	As at December 31, 2012
Equity stocks	2,878	2,835
Monetary securities	115,550	9,119
Other	31	51
Securities	**118,459**	**12,005**
Securities reported in assets held for sale due to the reorganization of the terminal activities	**—**	**4,696**

23. Cash and cash equivalents

Cash and cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

	As at September 30, 2013	As at December 31, 2012
Cash on hand and cash equivalents	1,135,846	601,309
Bank overdrafts	(153,452)	(45,308)
Net cash and cash equivalents	**982,394**	**556,000**
Cash reported in assets held-for-sale	**—**	**26,435**
Net cash and cash equivalents as per cash flow	**982,394**	**582,435**

Included in Cash and cash equivalents are margin calls related to the Company's derivative financial instruments amounting to USD 17 million as at September 30, 2013 (USD 37.7 million as at December 31, 2012). These amounts are called periodically by financial counterparts in accordance with the Company's standard International Swaps and Derivatives Association (ISDA) agreements. The corresponding financial derivative instruments have been marked-to-market as presented in Note 18.

24. Assets held-for-sale and related liabilities

The assets and liabilities classified as held-for-sale are as follows:

	As at September 30, 2013	As at December 31, 2012
Goodwill	—	101,573
Vessels	—	8,297
Buildings	—	304
Harbor equipment	—	57,478
Other intangible assets	—	61,576
Other tangible assets	—	6,394
Financial assets	—	101,820
Investments in associates and joint ventures	2,124	199,526
Securities	—	4,696
Cash and cash equivalents	—	26,435
Deferred tax	—	19,439
Working capital	—	22,597
Assets classified as held-for-sale	**2,124**	**610,135**

	As at September 30, 2013	As at December 31, 2012
Financial debt	—	166,657
Provisions	—	22,022
Other liabilities	—	25,914
Liabilities associated to assets classified as held-for-	**—**	**214,593**

As at December 31, 2012, assets held for sale and associated liabilities related to:

- Certain vessels which have been subsequently either scrapped or sold.
- Assets and liabilities in relation to the disposal of a 49% stake in Terminal Link which took place on June 11, 2013 (see Note 4).

As at September 30, 2013, assets held-for-sale relate to a shareholding in Toll ANL Bass Strait Shipping Pty Ltd that is intended to be sold within the next months. This shareholding was previously reported within "joint ventures and associates".

25. Financial debts

Financial debts are presented below and include bank overdrafts, long-term bank borrowings, finance leases and similar arrangements and have the following maturities:

	As at September 30, 2013	Reimbursement date : September 30,					
		2014	2015	2016	2017	2018	Onwards
Senior Note	**911,130**	54,631	24,727	24,944	415,842	12,678	378,308
Bonds redeemable in shares	**339,448**	51,893	58,277	65,406	73,438	51,375	39,059
Bank debt	**2,165,925**	474,220	331,625	240,013	202,099	244,783	673,185
Obligations under finance leases	**1,221,543**	142,658	125,830	170,943	253,409	334,986	193,717
Bank overdrafts	**153,452**	153,452	—	—	—	—	—
Other financial debts	**683,801**	172,102	459,466	43,715	1,152	683	6,683
Total	**5,475,299**	1,048,956	999,925	545,021	945,940	644,505	1,290,952

As disclosed in Note 4, the Company's lenders have agreed to a new debt restructuring program including modified covenants to take into account the industry's volatility and a partial extension of the existing revolving credit facility into new secured term loans.

The Company has implemented this restructuring program with all the bank syndicates and has obtained a waiver on all past breaches of covenants.

As a consequence, the financial debt for which a breach was identified and still effective as at December 31, 2012, amounting to USD 2,124 million, and which was presented within current liabilities as at December 31, 2012, is now reclassified to take into account its contractual maturities.

Variations in financial debts can be analyzed as follows:

	Senior Note	Bonds redeemable in shares (see Note 4)	Bank debt	Obligation under finance lease	Bank overdrafts	Other financial debt	Total
Balance as at January 1, 2013	**920,792**	**221,622**	**2,436,472**	**1,320,250**	**45,308**	**618,707**	**5,563,151**
Proceeds from new financial debt, net of issuance costs	1,659	137,326	173,186	228,033	—	104,721	644,925
Repayment of financial indebtedness, net of proceeds from refinancing	(20,588)	(19,500)	(662,204)	—	108,061	(84,653)	(678,884)
Principal repayments on obligations under finance leases	—	—	—	(126,009)	—	—	(126,009)
Accrued interests	—	—	1	(0)	—	34,257	34,258
Reclassification from non current deferred income	—	—	—	5,692	—	—	5,692
Refinancing of assets	—	—	207,717	(207,716)	—	—	1
Reclassification from / to other liabilities	—	—	(1,758)	(352)	—	0	(2,110)
Foreign currency translation adjustments	9,267	—	12,511	1,646	83	10,769	34,276
Balance as at September 30, 2013	**911,130**	**339,448**	**2,165,925**	**1,221,543**	**153,452**	**683,801**	**5,475,299**

Financial debts and related interest rates have the following characteristics:

Financing	Senior Note	Bonds redeemable in shares	Bank debt	Obligations under finance leases	Other financial debt and overdrafts	Interest rate (Average)
Vessels	112,047	—	1,407,743	1,094,079	116,000	5.13%
Containers	—	—	180,734	104,048	—	4.62%
Land and buildings	—	—	244,636	10,839	—	1.60%
Handling	—	—	299	11,527	—	4.84%
Other tangible assets	—	—	21,327	1,050	—	7.22%
Other	799,082	339,448	311,187	—	721,253	6.54%
Total	**911,130**	**339,448**	**2,165,925**	**1,221,543**	**837,253**	

26. Provisions and retirement benefit obligations

Provisions are analyzed as follows:

	Employee benefits	Litigation	Other risks and obligations	Total	*of which current portion*
As at January 1, 2012 (*)	**128,827**	**66,033**	**54,461**	**249,321**	***21,336***
Additions for the year	10,582	45,276	6,969	**62,827**	
Reversals during the year (unused)	(215)	(1,170)	(602)	**(1,987)**	
Reversals during the year (used)	(14,108)	(28,044)	(7,981)	**(50,133)**	
Reclassification of liabilities associated to assets held for	(16,404)	—	(5,618)	**(22,022)**	
Reclassification to other financial assets (see Note 19)	—	—	(32,050)	**(32,050)**	
Reclassification to / from other liabilities	1,807	(383)	(922)	**502**	
Actuarial gain / loss recognized in the OCI	8,653	—	—	**8,653**	
Foreign currency translation adjustment	954	243	211	**1,408**	
As at December 31, 2012	**120,096**	**81,956**	**14,467**	**216,519**	***14,799***
Additions for the period	9,825	28,081	108,989	**146,895**	
Reversals during the period (unused)	(6,111)	(11,951)	(50)	**(18,112)**	
Reversals during the period (used)	(4,736)	(15,312)	(2,820)	**(22,867)**	
Reclassification to / from other liabilities	0	—	737	**737**	
Foreign currency translation adjustment	291	258	94	**643**	
As at September 30, 2013	**119,364**	**83,033**	**121,417**	**323,814**	***35,158***

(*) Restated to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised (note 2.2)

Litigations

During the nine month period ended September 30, 2013, a provision amounting to USD 25 million related to a litigation with a ship-owner for the construction of three vessels has been fully released with an unused portion of USD 12 million (see Notes 9 and 27).

The provision for litigation as at September 30, 2013 corresponds to to cargo related and other claims incurred in the normal course of business. None of these claims taken invidually represents a significant amount.

Other risks and obligations

As disclosed in Note 4, provisions for other risks and obligations mainly include the provision corresponding to the estimated future cash-outflows in relation to the minimum dividend guaranteed to CMHI as part of the disposal of the 49% stake in Terminal Link, which amounted to USD 89 million at transaction date (no provision as at December 31, 2012). As at September 30, 2013, the Company has assessed that there has been no significant variation in the estimated future cash flows in relation to the minimum dividend guaranted. Therefore, it has not revised the amount of the provision, which has only been adjusted to take into account the impact of both the exchange gain or loss on this obligation denominated in euros and the unwinding of the discount effect.

27. Commitments

This Note should be read in conjunction with the information disclosed in the annual consolidated financial statements.

Commitments on ordered vessels

During the nine month period, the Company:

- Took delivery of two vessels as disclosed in Note 4;
- Reached an amicable settlement agreement with a shipyard regarding an order of three vessels which was under negotiation; this agreement allows the parties to terminate the former shipbuilding contracts regarding three CONRO Vessels and replace them with new contracts for three 2,100 TEU containers carriers for a total amount of USD 102 million. Out of the USD 108 million already paid under the previous contracts, the Company accepted that the shipyard would retain USD 42 million as compensation for losses and damages incurred. The remaining amount of USD 66 million will be used as delivery installments on the new contracts. The Company will still have to finance USD 36 million for these contracts; and
- Ordered three vessels following the settlement of the litigation (see Note 26 and below).

As at September 30, 2013, the total order book amounts to USD 546 million corresponding to three 16,000 TEU container vessels to be delivered in 2015 and three 2,100 TEU container carriers. Financing has been obtained for an amount of USD 310 million for these vessels and USD 66 million will be transferred from installments already paid on previous cancelled orders as disclosed above. During the nine month period ended September 30, 2013, the Company paid to yards USD 51 million through this financing and USD 44 million with cash available. The remaining commitments to be paid amount to USD 385 million of which USD 259 million is covered by this existing financing. The remaining unfinanced commitment of USD 126 million will be paid either through cash available or through new financing to be obtained.

Commitments on operating leases

During the nine month period ended September 30, 2013, the Company committed to operating lease agreements in relation to three container vessels to be delivered in 2015 in additon to the ten container vessels signed in 2012.

The related undiscounted minimum lease payments amount to USD 1,658 million.

28. Related party transactions

On May 31, 2013, the Company distributed a dividend to its shareholders amounting to USD 25 million.

On January 31, 2013, Yildirim Group, an equity holder of the Company, subscribed to new bonds mandatorily redeemable in shares for an amount of USD 100 million giving right to a 4% stake in CMA CGM upon conversion. These bonds bear interest at 12% per annum payable in cash.

On June 28, 2013, the FSI, a new equity holder of the Company, subscribed to new bonds mandatorily redeemable in shares for an amount of USD 150 million giving right to a 6% stake in CMA CGM upon conversion. These bonds bear interest at 12% per annum payable in cash.

On June 11, 2013, Terminal Link and its subsidiaries became related parties following the transaction with CMHI (See Note 4).

The related party transactions for 2012 were detailed in the annual financial statements for the year then ended. For the nine month period ended September 20, 2013, in addition to the three notable transactions described above, the transactions in the normal course of business entered into in 2012 generally continued to apply.

29. Post balance sheet events

Formal investigations by the European Commission

On November 22, 2013, the European Commission issued a press release stating that it will open a formal investigation towards the shipping sector.

CMA CGM, among several shipping companies, will be part of these investigations, even if no formal letter has been received yet.

The management of the Company has no reason to believe that CMA CGM has behaved in any manner not in accordance with EU competition law and will cooperate with the European Commission.

Raising of the Group's credit rating

On October 15, 2013, the international rating agency Moody's revised the Group's corporate credit rating upwards from B3 to B2 with a "stable outlook".

New securitization program

In October 2013, the Company finalized an additional securitization of receivables agreement with certain financial institutions and consequently obtained a new financing of USD 200 million.

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CMA CGM S.A.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

To the shareholders,
CMA CGM S.A.
4 Quai d'Arenc
13002 Marseille

In compliance with the assignment entrusted to us by your Shareholders' General Meeting, we hereby report to you, for the year ended December 31, 2012, on :

- the audit of the accompanying consolidated financial statements of CMA CGM S.A.;
- the justification of our assesments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2012, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Going concern:

Notes 3.1, 3.2, 30 and 35 to the consolidated financial statements decribe the status of the Group's financial restructuring operations at the reporting date of the fianancial statements and the Group's going concern status. Based on our work and the information we have obtained to date, and as part of our assessment of the accounting policies implemented by your Group, we believe that the notes to the financial statements provide appropriate information in respect of the Group's going concern status.

Accounting estimates:

Note 2.3 to the consolidated financial statements sets out the significant accounting judgments, estimates and assumptions adopted by Management. These significant estimates mainly relate to assumptions used for the impairment testing of non-financial assets and to the valuation of deferred tax assets, pension and other post-employment benefits, financial derivatives, and accruals for port call expenses, as well as provisions for compensation to be paid to shipyards and impairment of prepayments relating to the cancellation of certain vessel orders by CMA CGM.

For all of these estimates, our procedures consisted in evaluating the reasonableness of the assessments made by Management, checking, through the use of sampling techniques and other methods of selection, supporting calculations made by Management and verifying that the relevant notes to the financial statements included appropriate disclosures of the assumptions used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Marseille, March 18, 2013

The statutory auditors

PricewaterhouseCoopers	**KPMG Audit**
PricewaterhouseCoopers is represented by *PricewaterhouseCoopers Audit,* *10, place de la Joliette, BP 81525, 1356 Marseille*	Department of KPMG S.A. Georges Maregiano *Partner*

CMA CGM

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

Consolidated Income Statement
For the year ended December 31, 2012

(in USD thousand, except for earnings per share)

	Note	Year ended December 31, 2012	2011 (*)
REVENUE	(5)	15 923 229	14 869 593
Operating expenses	(6) & (7)	(14 617 766)	(14 562 596)
Gains on disposal of property and equipment and subsidiaries	(4) & (8)	18 873	421 714
OPERATING PROFIT BEFORE DEPRECIATION, AMORTIZATION, INCOME FROM ASSOCIATES AND JOINT VENTURES AND OTHER NON CASH OPERATING ITEMS	(5)	1 324 336	728 711
Depreciation and amortization of non-current assets	(16) & (17)	(405 585)	(409 907)
Other income and expense	(4) & (9)	(45 359)	51 410
Net present value (NPV) benefit related to assets	(10)	95 357	90 058
Share of profit (or loss) of associates and joint ventures	(19)	39 106	24 378
OPERATING PROFIT		**1 007 854**	**484 650**
Cost of net debt	(11)	(409 911)	(430 822)
			—
Other financial income	(12)	3 763	84 476
Other financial expense	(12)	(67 656)	(86 673)
FINANCIAL RESULT		**(473 804)**	**(433 019)**
PROFIT BEFORE TAX		**534 050**	**51 631**
Income taxes	(14)	(64 655)	(33 472)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**469 396**	**18 159**
Profit / (loss) for the year from discontinued operations	(13)	(108 783)	(22 724)
PROFIT / (LOSS) FOR THE YEAR	(5)	**360 613**	**(4 565)**

(*) Restated to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised

	Note	2012	2011 (*)
Attributable to:			
Owners of the parent			
Profit / (loss) for the year from continuing operations		440 820	(12 664)
Profit / (loss) for the year from discontinued operations	(13)	(108 783)	(22 724)
Profit / (loss) for the year	(5)	**332 037**	**(35 388)**
Non controlling interests			
Profit / (loss) for the year from continuing operations		**28 576**	**30 823**
Earnings per share basic and diluted attributable to the owners of the parent company (in U.S. Dollars) from continuing operations		*35,6*	*(1,2)*
Earnings per share basic and diluted attributable to the owners of the parent company (in U.S. Dollars) from discontinued operations		*(10,3)*	*(2,1)*

The accompanying notes are part of these annual consolidated financial statements

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2012

(in USD thousand)

Other Comprehensive Income	Year ended December 31, 2012	2011 (*)
PROFIT / (LOSS) FOR THE YEAR	**360 613**	**(4 565)**
Other comprehensive income:		
Cash flow hedges:		
Gains / (losses) arising during the year	(57 857)	56 693
Recycling to the income statement	46 197	41 754
Actuarial gains (losses) on defined benefit pension plans	(8 653)	(13 251)
Share of other comprehensive income of associates	(973)	(1 529)
Income tax relating to components of other comprehensive income (**):		
Gains / (losses) arising during the year	(1 275)	5 781
Currency translation adjustment related to foreign subsidiaries, associates and joint ventures	26 734	(28 340)
Other comprehensive income, net of tax	**4 174**	**61 108**
Total comprehensive income for the year	**364 787**	**56 543**
Total comprehensive income attributable to:		
Owners of the parent company	335 972	26 505
Non-Controlling interests	28 814	30 037
	364 787	56 543

(*) Restated to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised (note 2.2)

The accompanying notes are part of these annual consolidated financial statements

Consolidated Balance Sheet—Assets
As at December 31, 2012

(in USD thousand)

	Note	As at December 31, 2012	As at December 31, 2011 (*)
ASSETS			
Goodwill	(15)	298 052	393 098
Other intangible assets	(16)	189 932	265 567
INTANGIBLE ASSETS		**487 984**	**658 665**
Vessels	(17)	6 041 289	6 278 603
Containers	(17)	738 442	772 299
Land and buildings	(17)	627 474	637 720
Other property and equipment	(17)	123 532	192 800
PROPERTY AND EQUIPMENT		**7 530 737**	**7 881 422**
Deferred tax assets	(18)	63 103	91 983
Investments in associates and joint ventures	(19)	474 369	624 900
Non-current derivative financial instruments	(20) & (22)	4 217	7 312
Other non-current financial assets	(21) & (22)	926 392	847 802
NON-CURRENT ASSETS		**9 486 802**	**10 112 085**
Inventories	(23)	484 521	519 657
Trade and other receivables	(22) & (24)	2 230 526	2 103 808
Current derivative financial instruments	(20) & (22)	12 245	6 705
Securities	(22) & (25)	12 005	18 230
Cash and cash equivalents	(22) & (26)	601 309	857 117
Prepaid expenses	(27)	203 427	285 809
Assets classified as held-for-sale	(28)	610 135	56 430
CURRENT ASSETS		**4 154 169**	**3 847 755**
TOTAL ASSETS		**13 640 971**	**13 959 841**

(*) Restated to reflect the early adoption of IAS 19 Revised (note 2.2)

The accompanying notes are part of these annual consolidated financial statements

Consolidated Balance Sheet—Liabilities
As at December 31, 2012

(in USD thousand)

LIABILITIES AND EQUITY	Note	As at December 31, 2012	As at December 31, 2011 (*)
Share capital		169 200	169 200
Reserves and retained earnings		3 488 466	3 542 298
Profit / (Loss) for the year attributable to the equity owners of the parent company		332 037	(35 388)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		**3 989 703**	**3 676 111**
Non-controlling interests		49 653	43 943
TOTAL EQUITY		**4 039 356**	**3 720 054**
Non-current financial debt (**)	(22) & (30)	1 616 881	4 956 513
Non-current derivative financial instruments	(20) & (22)	79 642	58 937
Deferred tax liabilities	(18)	39 598	41 150
Provisions and retirement benefit obligations	(31)	201 720	227 983
Non-current deferred income		14 724	64 670
NON-CURRENT LIABILITIES		**1 952 566**	**5 349 254**
Current financial debt (**)	(22) & (30)	3 946 270	1 151 381
Current derivative financial instruments	(20) & (22)	53 812	97 265
Current portion of provisions	(31)	14 799	21 336
Trade and other payables	(22) & (24)	2 774 879	2 945 097
Current deferred income	(27)	644 697	646 183
Liabilities associated with assets classified as held-for-sale	(28)	214 593	29 272
CURRENT LIABILITIES		**7 649 050**	**4 890 533**
TOTAL LIABILITIES & EQUITY		**13 640 971**	**13 959 841**
(**) Total Financial debt current and non-current	(22) & (30)	*5 563 151*	*6 107 894*

(*) Restated to reflect the early adoption of IAS 19 Revised (note 2.2)

The accompanying notes are part of these annual consolidated financial statements

Consolidated Statement of changes in equity
For the year ended December 31, 2012

(in USD thousand, except number of shares)

		Attributable to the equity owners of the parent							
			Reserves						
	Number of shares	Share capital	Premium, legal reserves and retained earnings	Other reserves	Currency translation adjustments	Profit / (Loss) for the year	**TOTAL**	**Non-controlling interests**	**Total Equity**
Balance as at January 1, 2011 (*)	**10 578 357**	**169 200**	**1 713 802**	**(126 614)**	**49 699**	**1 626 741**	**3 432 828**	**45 169**	**3 477 997**
Total income & expense for the year recognized directly in other comprehensive income		—	42 946	46 712	(27 765)	—	**61 893**	(785)	**61 108**
Profit / (Loss) for the year		—	—	—	—	(35 388)	**(35 388)**	30 823	**(4 565)**
Total income & expense for the year		—	42 946	46 712	(27 765)	(35 388)	**26 505**	30 037	**56 543**
Allocation of the prior year profit		—	1 626 741	—	—	(1 626 741)	**—**	—	**—**
Bonds redeemable in shares (see Note 4)			218 711	—	—	—	**218 711**	—	**218 711**
Transaction with non controlling interests			(1 932)	—	—	—	**(1 932)**	—	**(1 932)**
Change in perimeter		—	—	—	—	—	**—**	(1 667)	**(1 667)**
Dividends		—	—	—	—	—	**—**	(29 596)	**(29 596)**
Balance as at December 31, 2011 (*)	**10 578 357**	**169 200**	**3 600 267**	**(79 902)**	**21 934**	**(35 388)**	**3 676 111**	**43 943**	**3 720 054**
Balance as at January 1, 2012 (*)	**10 578 357**	**169 200**	**3 600 267**	**(79 902)**	**21 934**	**(35 388)**	**3 676 111**	**43 943**	**3 720 054**
Total income & expense for the year recognized directly in other comprehensive income		—	—	(22 515)	26 451	—	3 936	238	4 174
Profit / (Loss) for the year		—	—	—	—	332 037	332 037	28 576	360 613
Total income & expense for the year		—	—	(22 515)	26 451	332 037	**335 972**	28 814	**364 787**
Allocation of the prior year profit		—	(35 388)	—	—	35 388	**—**	—	**—**
Transaction with non controlling interests			(22 382)	—	—	—	**(22 382)**	(4 265)	**(26 647)**
Dividends		—	—	—	—	—	**—**	(18 839)	**(18 839)**
Balance as at December 31, 2012	**10 578 357**	**169 200**	**3 542 498**	**(102 417)**	**48 384**	**332 037**	**3 989 703**	**49 653**	**4 039 356**

(*) Restated to reflect the early adoption of IAS 19 Revised (note 2.2)

The accompanying notes are part of these annual consolidated financial statements

Consolidated Cash Flow Statement
For the year ended December 31, 2012

(in USD thousand)

	Note	Year ended December 31, 2012	2011 (*)
Profit / (Loss) for the year		**360 613**	**(4 565)**
Reconcilation of profit / (Loss) for the year to cash generated from operations:			
—Depreciation and amortization	(16) & (17)	405 585	409 907
—NPV benefit related to vessels		(95 357)	(90 058)
—Allowance / (Reversal) of impairment of assets	(4) & (9)	45 359	(51 410)
—Discontinued operations	(13)	108 783	22 724
—(Increase) / Decrease in provisions		47 026	(32 829)
—Loss / (Gains) on disposals of property and equipment and subsidiaries	(4) & (8)	(18 873)	(421 714)
—Net fair value (gains) / losses on derivative financial instruments		(31 979)	23 954
—Share of (Income) from associates and Joint Ventures	(19)	(39 106)	(24 378)
—(Gains) / Losses on disposals and change in fair value of securities		(1 286)	3 842
—Interest expenses on net financial debt		401 451	391 447
—Deferred tax	(14)	7 203	(19 606)
—Other non cash items		2 728	15 484
—Financial gain on repurchase of € 500M and $ 300M bonds	(4)	—	(72 232)
—Unrealized exchange (Gain) / Losses		38 636	(3 062)
Changes in working capital:			
—Inventories		33 288	(120 714)
—Trade and accounts receivable		(160 081)	(139 811)
—Prepaid expenses		71 527	(54 095)
—Trade and other payables		(183 897)	413 527
—Deferred income excluding government subsidies		(7 075)	41 058
Net cash generated from operating activities		**984 546**	**287 470**
Purchases of intangible assets		(25 382)	(25 510)
Purchases / disposals of subsidiaries, net of cash acquired (divested)		—	276 292
Purchases of property and equipment		(100 759)	(928 620)
Increase in assets held for sale		—	(80 483)
Purchases of non consolidated investments and other financial assets		(44 495)	(12 880)
Proceeds from disposal of property and equipment		66 003	257 302
Proceeds from disposal of assets classified as held for sale		123 897	183 614
Proceeds from the disposal of / (purchase of) securities, net		5 652	10 049
Proceeds from disposal of financial assets		(939)	(741)
Dividends received from associates and joint ventures		—	13 177
Variation in other long-term investments		(213 891)	134 838
Net cash provided by / (used for) investing activities		**(189 914)**	**(172 963)**
Issuance of bonds redeemable in shares (equity component)		—	494 718
Dividends paid to non controlling interests		(11 583)	(29 609)
Proceeds from bank borrowings, net of issuance costs		109 404	1 320 636
Repayments of bank borrowings		(386 694)	(692 130)
Principal repayments on finance leases		(208 479)	(211 441)
Principal repayments on liabilities associated with assets classified as held for sale		—	(1)
Repurchase of € 500M and $ 300M bonds		—	(539 291)
Decrease in liabilities associated with assets held for sale		(74 913)	(164 919)
Interest expenses on net financial debt		(388 334)	(341 165)
Refinancing of assets		52 293	256 999
Acquisition of non-controlling interests		(10 500)	—
Net cash provided by / (used for) financing activities		**(918 805)**	**93 797**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(3 608)	(4 920)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**(127 781)**	**203 384**
Cash and cash equivalents as per balance sheet		601 309	857 117
Cash reported in assets held-for-sale		26 435	—
Bank overdrafts		(45 308)	(146 900)
Cash and cash equivalents and bank overdrafts at the end of the year	(22) & (26)	**582 436**	**710 217**
Supplementary information: non cash investing or financing activities:			
—Assets acquired through finance leases or equivalents		*208 114*	*327 618*
—Refinancing of vessels		—	
Supplementary information: Financial interest:			
—Cash inflow from interest		*7 503*	*18 400*
—Cash outflow from interest		*(395 837)*	*(306 032)*

(*) Restated to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised (note 2.2)

The accompanying notes are part of these annual consolidated financial statements

Notes to the Annual Consolidated Financial Statements

1. Corporate information

The consolidated financial statements of CMA CGM S.A. ("CMA CGM") and its subsidiaries (hereafter referred to together as "the Group" or "the Company") for the year ended December 31, 2012 were approved by the Board of Directors on March 18, 2013.

The Group is headquartered in France and is the third largest container shipping company in the world. The Group operates primarily in the international containerized transportation of goods. Its activities also include container terminal operations and transport by rail, road and river.

CMA CGM S.A. is a limited liability company ("Société Anonyme") incorporated and located in France. The address of its registered office is 4, Quai d'Arenc, 13002 Marseille, France.

2. Accounting policies

2.1 Basis of preparation

The consolidated financial statements of CMA CGM have been prepared under the historical cost basis, with the exception of available-for-sale financial assets and derivative financial instruments which have all been measured at fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods, except as outlined in the paragraph below.

Statement of compliance

The consolidated financial statements of CMA CGM have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union ("EU").

Basis of consolidation

The consolidated financial statements comprise the financial statements of CMA CGM S.A. and its subsidiaries at December 31, 2012.

The consolidated financial statements are presented in U.S. Dollars (USD), which is also the currency of the primary economic environment in which CMA CGM S.A. operates (the 'functional currency'), and all values are rounded to the nearest thousand (USD 000) unless otherwise indicated.

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group balances, income and expenses and unrealized gains or losses resulting from intra-group transactions are fully eliminated.

The financial statements of subsidiaries have been prepared for the same reporting period as the parent company, using consistent accounting policies.

Non-controlling interests represent the portion of profit and loss and net assets that is not held by the Group and they are presented within equity and in the income statement separately from Group Shareholders' equity and Group profit for the year.

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result.

(b) Interests in associates and joint ventures

Companies for which the Group holds 20% or more of the voting rights or over which the Group has significant influence over the operating and financial policy are accounted for under the equity method. The Group's interests in jointly controlled entities are accounted for under the equity method.

Under the equity method, equity interests are accounted for at cost, adjusted for by the post-acquisition changes in the investor's share of net assets of the associate, and reduced by any distributions (dividends).

The carrying amount of these companies is presented in the line "Investments in associates and joint ventures" on the balance sheet.

"Share of profit (or loss) of associates and joint ventures" is presented within "Operating profit / (loss)" as it was concluded that the business of these entities forms part of the Company's ongoing operating activities and that such entities cannot be considered as financial investments. This line item includes impairment of goodwill related to associates and joint ventures, financial income and expense and income tax.

An associate's losses exceeding the value of the Group's interest in this entity are not accounted for, unless the Group has a legal or constructive obligation to cover the losses or if the Group has made payments on the associate's behalf.

Any surplus of the investment cost over the Group's share in the fair value of the identifiable assets and liabilities of the associate company on the date of acquisition is accounted for as goodwill and included in the carrying amount of the investment.

Any remaining investment in which the Group has ceased to exercise significant influence or joint control is not accounted for in equity and is valued at fair value (considered as available-for-sale financial assets).

2.2 Change in accounting policies and new accounting policies

The accounting policies adopted in the preparation of these annual consolidated financial statements have been applied consistently with those described in the annual financial statements for the year ended December 31, 2011, except as outlined in the paragraphs below.

Adoption of new and amended IFRS and IFRIC interpretations from January 1, 2012

- IFRS 7—Financial instruments—disclosures

The amendments introduce new disclosure requirements about transfers of financial assets including disclosures for financial assets that are not derecognised in their entirety and financial assets that are derecognised in their entirety but for which the entity retains continuing involvement. The adoption of these amendments did not have any impact on the annual consolidated financial statements.

- Amendment to IAS 12, 'Income taxes'—deferred tax accounting for investment properties

The adoption of this amendment did not have any impact on the annual consolidated financial statements.

- Amendment to IAS 19—Employee benefits

The Company has decided to early adopt the revised version of IAS 19 which was published in June 2011 and endorsed by the European Union in June 2012. The main change results in the immediate recognition through the Other Comprehensive Income (OCI) of changes in actuarial assumptions related to post-employment benefits. As the Company already applied such accounting treatment, there was no impact on the annual consolidated financial statements. In addition, an entity can no longer defer the recognition of unvested past service costs resulting from plan amendments over the remaining future vesting period. Instead, these gains or losses will be recognized, along with the vested past service costs when the amendment or the curtailment occurs. The impact of the early application of the revised version of IAS 19 can be presented as follows:

	As at January 1, 2011	As at December 31, 2011	As at December 31, 2012
Net increase / (decrease) in provisions and retirement benefits obligations	(1 413)	3 426	3 420
Net increase / (decrease) in provisions and retirement benefits obligations presented in liabilities associated with assets classified as held-for-sale	—	—	(4 514)
Net increase / (decrease) in deferred tax assets	—	(211)	(211)
Net increase / (decrease) in total equity	**1 413**	**(3 637)**	**883**
Net income / (expense) recognized in OCI	—	*(156)*	*75*
Net increase in profit / (loss) for the year within operating expenses	—	*(4 839)*	*4 520*
Net increase in profit / (loss) for the year within financial result		*156*	*(75)*

New IFRS and IFRIC interpretations effective for the financial year beginning after January 1, 2012 and not early adopted:

The following standards and amendments to existing standards have been published and will be mandatory for the Group's accounting periods beginning after January 1, 2012:

- IFRS 10—Consolidated Financial Statements
- IFRS 11—Joint arrangements
- IFRS 12—Disclosure of interests in other entities
- IFRS 13—Fair value measurement
- Amendment to IAS 27—Separate financial statements
- Amendment to IAS 28— Associates and joint ventures
- Amendment to IAS 1—Presentation of financial statements
- Amendment to IFRS 1— severe hyperinflation and removal of fixed dates
- Amendments to IFRS 7 and IAS 32—Compensation of financial assets and liabilities
- IFRIC 20—Stripping Costs in the Production Phase of a Surface Mine

The impact resulting from the application of these standards, amendments and interpretations which the Company has not yet early adopted is currently being assessed.

An exposure draft is currently being prepared by the Board of IASB regarding the accounting for leases which may have a significant impact on the Group's balance sheet and income statement. The future standard, which shall not be applicable before 2015, should end the distinction between operating and finance leases. This will lead to the recording as a liability in the balance sheet of certain lease commitments currently disclosed in the notes to the financial statements. The operating lease expense currently recorded within operating expenses will be split into an amortization expense of an intangible asset and a financial expense, except for the running costs which will remain accounted for as an operating expense.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires the use of judgments, best estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

Although these consolidated financial statements reflect management's best estimates based on information available at the time of the preparation of these financial statements, the outcome of transactions and actual situations could differ from those estimates due to changes in assumptions or economic conditions.

The main sensitive accounting methods involving use of estimates and judgments are described below.

Impairment of non-financial assets

When value in use calculations are undertaken, management must estimate the expected future cash flows of the asset or cash-generating unit and choose a suitable discount rate and a perpetual long-term growth rate in order to calculate the present value of those cash flows. These estimates take into account certain assumptions about the global economic situation and the future growth of the container shipping industry.

The main assumptions used by the Company in order to perform the impairment test of the non-financial assets are the following:

- The level at which the assets were tested:
  - CMA CGM is organized as a container carrier, managing its customer base and fleet of vessels and containers on a global basis. Large customers are dealt with centrally and assets are regularly reallocated within trades according to demand. Even though certain trades may have their own specificities, none generates cash flows independently of the others. As such, vessels, containers, goodwill and other long-term assets related to the container shipping activity are not tested individually but rather on the basis of the cash flows generated by the overall container shipping activity.
  - For other activities, such as terminal operations, the cash generating units ("CGU") correspond to each individual terminal or entity, or to a group of terminals or entities when they operate in the same geographic area and their activities are interrelated.
- For the container shipping activity, which represents the vast majority of the Company's business, the cash flows used to determine the value in use are based on the Group's most recent business plan prepared by management, which covers a 5 year period.
- The discount rates used for testing purposes vary between 8.3% and 12.0% (7.8% to 11% in 2011), depending upon the inherent risk of each activity tested. These rates may differ from the weighted average cost of capital of the Group.
- The perpetual growth rate applied to periods subsequent to those covered by management's business plan was generally set at zero.

In 2012 and 2011, no significant impairment loss was recognized on tests performed at cash generating unit levels. The container shipping industry remains volatile and pressure on freight rates and overcapacity in the global containership fleet are still a potential concern for the industry. To prepare its business plan, management considered historical data and opinions from independent shipping experts which tend to indicate that in the medium term, fleet capacity will adapt to demand.

Regarding the container shipping activity, if the discount rate had been increased by 1%, the net present value of future cash flows would have been lower by USD 1,440 million, which would not have resulted in any impairment charge. The estimated fair value of the container shipping assets to be tested would have been approximately equal to its carrying amount if the discount rate had been increased by 4%.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits.

For the purpose of the recognition of the deferred tax assets in France, Management has considered that the French tonnage tax regime will be renewed in 2013 for a 10 year period consistent with other European countries where this tax regime is applied. The tonnage tax regime will result in a lower income tax payable in the future and therefore reduces the amount of deferred tax assets to be recognized.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other long-term and post-employment benefit obligations is determined based on actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates, medical care inflation rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to uncertainty. The Group uses the services of a third party actuary to perform these valuations.

Financial instruments

In measuring the fair value of financial instruments (essentially bunkers and interest rate derivative instruments), the Group uses valuation models involving a certain number of assumptions subject to uncertainty. Any change in those assumptions could have an impact on the financial statements.

Demurrage receivables, accruals for port call expenses, transportation costs and handling services

Certain demurrage receivables as well as port call expenses, transportation costs and handling services are estimated as there can be delays between the provision of services and the receipt of the final invoices from shipping agents and customers or suppliers throughout the world.

Provision for risks and impairment related to cancellation of vessel orders

In 2009, the Group entered into certain discussions with shipyards in order to cancel certain vessel orders. As at December 31, 2012, the Company recorded the management's best estimates of the Group's exposure in terms of prepayments to be waived and compensation to be paid to shipyards for order cancellations in accordance with contractual obligations. Actual results of the Company's ongoing negotiations may differ from these accounting estimates.

2.4 Summary of significant accounting policies

Translation of financial statements of foreign operations

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in U.S. Dollars, which is the Company's functional and presentation currency.

Translation of financial statements of foreign entities

The financial statements of foreign entities are translated into the presentation currency on the following basis:

- Assets and liabilities are translated using the exchange rate prevailing at year-end;
- The income statement is translated at the average exchange rate for the reporting period; and
- The results of translation differences are recorded as "Currency translation differences" within other comprehensive income.

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recorded within other comprehensive income. When a foreign operation is disposed of, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income when qualified as cash flow hedges or net investment hedge.

Foreign exchange gains and losses relating to operational items (mainly trade receivables and payables) are recorded in the line item “Operating exchange gains / (losses), net” within “Operating expenses”. Foreign exchange gains and losses relating to financial items are recorded in the line item within “Cost of net debt” for realized exchange gains and losses on financial debt and within “Other financial items” for all other foreign exchange gains and losses.

Exchange rates of significant currencies are as follows:

	Closing rate		Average rate	
	2012	**2011**	**2012**	**2011**
Euro	0,75792	0,77286	0,77792	0,71886
British pounds sterling	0,61854	0,64557	0,63095	0,62347
Australian Dollar	0,96347	0,98331	0,96556	0,96873
Moroccan dirham	8,45869	8,60584	8,64874	8,11054

Revenue recognition and related expenses

Revenue comprises the fair value of the sale of services, net of value-added tax, rebates and discounts after eliminating sales within the Group.

The Group recognizes revenue when (i) the amount of revenue can be reliably measured, (ii) it is probable that future economic benefits will flow to the entity and (iii) specific criteria have been met for each of the Group’s activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Container Shipping

Freight revenues and costs directly attributable to the transport of containers are recognized on a percentage of completion basis, which is based on the proportion of transit time completed at report date for each individual container. Deferred freight revenues and costs directly attributable to containers are reported as deferred income and prepaid expenses.

Other activities

For other activities, revenue is recognized when the services have been rendered or when the goods have been delivered.

Current income tax

The Group is subject to income taxes in numerous jurisdictions. When permitted by local tax authorities, the Company elected for the tonnage tax regime.

Deferred income tax

Deferred income tax is provided for in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

The deferred income taxes are recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the deferred income taxes are recognized in other comprehensive income or directly in equity, respectively.

Considering the tonnage tax regime applicable to Group shipping activities, differences between taxable and book values of assets and liabilities are generally of a permanent nature. Temporary differences are limited to those arising from other activities which are subject to usual tax laws.

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. Basic earnings per share also take into account the impact of the bonds mandatorily redeemable into common shares from the date that the contract is entered into. As a result, there is no difference between basic and diluted earnings per share for the period presented.

Goodwill and Business Combinations

Business combinations are accounted for using the acquisition method defined in IFRS 3. Accordingly, since January 1, 2010, all acquisition-related costs are expensed.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Contingent payments classified as debt are subsequently remeasured through the statement of comprehensive income.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Determination of goodwill

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase then the difference is recognized directly in the income statement.

Adjustments are recognized as changes to goodwill, provided they are made within twelve months of the date of acquisition.

Measurement and presentation of goodwill

Goodwill on acquisition of subsidiaries is disclosed separately in the balance sheet. Goodwill on acquisition of associates is included in investment's net book value.

Goodwill is not amortized but tested for impairment annually and upon the occurrence of an indication of impairment. The impairment recorded may not subsequently be reversed. The impairment testing process is described in the appropriate section of these policies.

At the time of the sale of a subsidiary or a jointly controlled entity, the amount of the goodwill attributable to the subsidiary or associates and joint ventures is included in the calculation of the gain and loss on disposal.

Transactions with non-controlling interests

When purchasing non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Other intangible assets

Intangible assets related to concession arrangements are included in other intangible assets.

Under the terms of IFRIC 12, the Group operates certain terminal regulated concession arrangements meeting the definition of the "intangible asset" model. Concession intangible assets correspond to the concession operator's right to operate the asset under concession in exchange for certain future royalty payments. This right corresponds to the cost of equipment acquired to operate the terminal concession plus the estimated discounted value of future royalty payments that are accounted for as a concession liability. This right is amortized over the term of the arrangement. Changes in the measurement of the concession liability that result from changes in the estimated timing or amount of the expected concession royalty payments, or a change in the discount rate, are added to, or deducted from, the cost of the related concession intangible asset in the current period. The adjusted depreciable amount of the concession intangible asset is depreciated over its remaining useful life.

Other intangible assets also consist of software developed and acquired for internal corporate use, which is recorded at the initial acquisition cost plus the cost of development minus the total of the amortization and any impairment loss. In-house software development costs are capitalized in accordance with criteria set out in IAS 38.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Software developed or acquired is amortized on a straight-line basis over five to seven years based on the estimated useful life.

Property and equipment

Items of property and equipment are recognized as assets when it is probable that the future economic benefits associated with the asset will flow to the enterprise; and the cost of the asset can be measured reliably.

Property and equipment are recorded at the historical acquisition or manufacturing cost, less accumulated depreciation and any impairment loss. Acquisition or manufacturing costs comprise any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs incurred for the construction of any qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

On initial recognition, the cost of property and equipment acquired is allocated to each component of the asset and depreciated separately.

Maintenance costs are recognized as expenses for the period, with the exception of mandatory dry-docks required to maintain vessel navigation certificates, which constitute an identifiable component upon the acquisition of a vessel and which are thereafter capitalized when the following dry-docks occur. Dry-docks are depreciated over the remaining useful life of the related vessel or to the date of the next dry-dock, whichever is sooner.

Depreciation on assets is calculated using the straight-line method to allocate the cost of each part of the asset to its residual value (scrap value for vessels and containers) over its estimated useful life, as follows:

Asset	*Useful life in years*
Buildings (depending on components)	15 to 40
New container and Roll-on Roll-off vessels	25
Dry-docks (component of vessels)	1 to 7
Second-hand container and Roll-on Roll-off vessels (depending on residual useful life)	6 to 22
New barges/ Second-hand barges	40 / 20
New containers	12
Second-hand containers (depending on residual useful life)	3 to 5
Fixtures and fittings	10
Other fixed assets such as handling and stevedoring equipment	3 to 20

The assets' residual values and useful lives are reviewed, and adjusted if necessary, at each balance sheet date. The residual value for vessels is based on the lightweight and the average market price of steel. The residual value for containers is based on the Company's historical experience of the sale of used containers.

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals correspond to the difference between the proceeds and the carrying amount of the asset disposed of. These are included in the income statement.

Investment properties

Investments in properties corresponding to buildings leased for rent are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in the income statement in the year in which they arise. Because investment properties are immaterial for the Group, they do not give rise to a separate balance sheet item and are included within "Land and buildings".

Investment properties are no longer recognized when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of derecognition.

Leases

In the course of carrying out its business, the Group uses assets made available under lease contracts. These contracts are analyzed based on situations and indicators described in IAS 17 in order to determine whether they are finance leases or operating leases.

Finance leases

When the Company leases assets under long-term contracts or other similar arrangements that transfer substantially all risks and rewards of ownership to the Company, the leased asset is recognized in the balance sheet at the lower of its fair value and the net present value of the minimum lease payments depending on the tax structure of the lease. The net present value of the minimum lease payments is recorded as a liability.

Operating leases

Leases where the lessor substantially retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Amounts of operating lease payments charged to the income statement during the period are presented as disclosed in Note 32 related to commitments.

Sale and leaseback transactions

In the context of sale and operating leaseback transactions, the related profits or losses are accounted for as follows:

- If the transaction is at fair value, they are recognized immediately;
- If the sale price is below fair value, any profit or loss is recognized immediately except if the loss is compensated for by future lease payments at below market price, in which case it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used; or
- If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

In the context of sale and finance leaseback transactions, any gain on the sale is deferred and recognized as financial income over the lease term.

Impairment of non-financial assets

The Group reviews the carrying amounts of property and equipment and intangible assets annually in order to assess whether there is any indication that the value of these assets might not be recoverable. If such an indication exists, the recoverable value of the asset is estimated in order to determine the amount, if any, of the impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment of goodwill and other assets that do not generate cash inflows, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units).

The impairment tests on goodwill are performed annually at the CGU level, unless there is an indication of impairment on other assets' categories. The Group defines its CGU based on the way it monitors and derives economic benefits from the acquired business.

Financial assets

The Group determines the classification of its financial assets at initial recognition. The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss (mainly marketable securities), loans and receivables (cash and cash equivalents, trade and other receivables), available-for-sale financial assets (quoted and unquoted financial instruments) and derivatives. The classification depends on the purpose for which the investments were acquired (see note 22).

Financial assets are recognized initially at fair value plus directly attributable costs, in the case of investments not at fair value through profit and loss.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. For the Company, this category mainly includes marketable securities (financial assets at fair value through profit and loss) and derivative financial instruments that do not qualify for hedge accounting (financial assets held for trading). Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

Realized and unrealized gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not to be traded. They are included in non-current assets when maturities are over 12 months after the balance sheet date.

Loans and receivables are recognized at amortized cost using the effective interest method (discounting effect is deemed not material for trade receivables), less impairment. An impairment of a loan or a receivable is established when there is objective evidence, based on individual analyses, that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment loss is recognized in the income statement.

The Company transfers certain receivables of certain shipping agencies by way of a securitization program. The lenders have full recourse in the case of a failure to pay by the debtor. As a portion of the risks and rewards of ownership related to these trade receivables have been retained by the Group, they are not derecognized and a financial debt is recorded against the cash consideration received from the lenders (collateralized borrowing). Similarly, when the Company receives shares from the securitization vehicle either (i) as a consideration for receivables transferred during the period or (ii) as an advance consideration for receivables to be transferred in a subsequent period, the related receivables are not derecognized and maintained in the balance sheet. These commitments are presented as off-balance sheet commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Equity investments in unconsolidated companies and other long-term investments held by the Company are classified as available-for-sale assets.

Investments are initially recognized at fair value plus transaction costs. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of income as gains and losses from investment securities.

Fair Value of financial assets

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are largely similar and discounted cash flow analyses refined to reflect the issuer's specific circumstances.

The table in note 3.4 that presents a breakdown of financial assets and liabilities categorized by value meets the amended requirements of IFRS 7. The fair values are classified using a scale which reflects the nature of the market data used to make the valuations. This scale has three levels of fair value:

- level 1: fair value based on the exchange rate/price quoted on the active market for identical instruments;
- level 2: fair value calculated from valuation techniques based on observable data such as active prices or similar liabilities or scopes quoted on the active market;
- level 3: fair value from valuation techniques which rely completely or in part on non observable data such as prices on an inactive market or the valuation on a multiples basis for non quoted securities.

Impairment of financial assets (available for sale / loan and receivables)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is to be impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are to be impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss—measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss—is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement regarding equity instruments cannot be reversed through the income statement.

Derivative instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-evaluated at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if this is the case, on the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedge) or hedges of net investments in foreign operations.

The Group documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 20. Movements on the hedging reserve are shown in other comprehensive income.

The Company classifies its derivative instruments in the following categories:

(a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. The income statement impact (effective and ineffective portion) of bunker hedging activities that qualify as cash flow hedges is presented in the line item "Bunkers and Consumables".

Amounts accumulated in other comprehensive income are recycled in the income statement for periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognized in the income statement within "Interest expense on financial debt". The gain or loss relating to the ineffective portion is recognized in the income statement under the heading "Other financial items".

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory), the gains and losses previously deferred in other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the cost of the non financial asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at this time remains in other comprehensive income and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement.

(b) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income; the gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Gains and losses accumulated in other comprehensive income are included in the income statement when the foreign operation is disposed of.

(c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified as assets or liabilities at fair value through profit or loss, and changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement. The income statement impact of such derivatives is presented in the line item "Other financial items".

Inventories

Inventories are initially recorded at cost. Cost represents the purchase price and any directly attributable costs.

Inventory costs include the transfer from other comprehensive income of any gains/losses on qualifying cash flow hedges relating to inventory purchases. Inventories mainly relate to bunker fuel at the end of the period. Cost is determined on a first-in, first-out basis.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and margin calls related to the Company's derivative financial instruments (see note 26). Those financial assets are classified as loan and receivables and valued as described above. Bank overdrafts are presented within financial debts on the balance sheet.

Non-current assets held-for-sale

Non-current assets and subsidiaries to be disposed of are classified as held-for-sale and measured at the lower of the carrying amount and fair value less costs to sell. Non-current assets and subsidiaries are classified as held-for-sale only when the sale is highly probable and the asset or subsidiary is available for immediate sale in its present condition, subject to terms that are usual and customary for the sale of such items. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Liabilities directly associated with these assets are presented in a separate line in the balance sheet.

When a subsidiary is classified as held-for-sale the depreciation of its non-current assets is discontinued. The profit or loss before depreciation is recognized in the income statement unless the carrying amount of the subsidiary taken as a whole falls below its fair value, in which case an impairment charge is recognized.

Retirement benefits and similar obligations

Group companies operate in various jurisdictions and provide various pension schemes to employees. The Company has both defined benefit and defined contribution pension plans. The Group has also agreed to provide certain additional post employment healthcare benefits to employees in Morocco.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The post-employment benefit paid to all employees in the Group's home country qualifies as a post-employment defined benefit plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company's employees are generally entitled to pension benefits, in accordance with local regulations:

- Retirement indemnity, paid by the Company on retirement (defined benefit plan); and
- Pension payments from social security bodies, financed by contributions from businesses and employees (defined contribution plan).

The Group's obligations in respect of defined benefit pension schemes and retirement indemnities on retirement are calculated using the projected unit credit method, taking into consideration specific economic conditions prevailing in the various countries concerned and actuarial assumptions. These obligations might be covered by plan assets. The Company obtains an external valuation of these obligations annually.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. Changes in actuarial assumptions arising from experience adjustments are directly recognized in other comprehensive income.

Payments made by the Company for defined contribution plans are accounted for as expenses in the income statement in the period in which the services are rendered.

Past service costs are recognized immediately in the income statement since the Company early adopted the revised version of IAS 19.

In France, certain companies operating in terminal activities, as part of collective bargaining agreements, participate together with other enterprises—so called multi-employer plans—in the funding of plans deemed to cover pension obligations and asbestos programs. These plans are by their nature difficult to value as they require detailed information which is only available at the beneficiary's request and for their individual pension calculation. In addition, the regime brings together the assets of several employers and the individual obligation of each employer in the plan is therefore difficult to precisely determine as it varies from one year to another based on activity levels. As per IAS 19 paragraph 30, where sufficient information is not available to use defined benefit accounting for defined benefit multi-employer plans, the plans are treated as defined contribution plans.

Provisions

The Group recognizes provisions when:

- The Group has a present legal or constructive obligation as a result of past events;
- It is more likely than not that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

The Group evaluates provisions based on facts and events known at the closing date, from its past experience and to the best of its knowledge. Provisions mainly cover litigation with third parties such as shipyards, restructuring and cargo claims.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives. The Group determines the classification of its financial liabilities at initial recognition. The Group does not hold over the period presented financial liabilities at fair value through profit and loss.

Financial liabilities are recognized initially at fair value. The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and derivatives (see note 22).

Except for obligations recognized under finance leases, financial debts are recognized initially at fair value, net of transaction costs incurred. Financial debts are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Financial debt also comprises obligations recognized under finance lease agreements.

Deferred income

The Company benefits from leveraged tax leases in France, the United Kingdom, Taiwan and Singapore.

When such agreements qualify as finance leases, the Company recognizes the cost of building vessels as property and equipment, and the net present value ("NPV") of future lease payments as obligations under finance leases.

Under leveraged tax leases, a tax benefit is passed on by the lessor either over the lease term through lower lease payments or at the end of the lease term through the recovery of a cash amount:

- When the Company receives the benefit through lower lease payments, its net present value is accounted for as "Deferred income" within liabilities in the balance sheet (allocated between current and non-current portion depending on twelve month maturity). This benefit is then credited to the statement of income on a vessel by vessel basis over the tax financing period under the heading "NPV benefit related to assets" which range from 5 to 8 years. This income is presented within "Operating profit / (loss)" as it is considered that this benefit is in effect a reduction of the operational running cost of the vessel;
- When the Company benefits from the tax advantage at the end of the lease term, a financial asset is recognized within "Other financial assets" progressively over the tax financing period and the corresponding income is recorded under the heading "NPV benefit related to assets".

3. Financial risk management objectives & policies

3.1 Financial covenants and current status of discussions with lenders

At the date of the approval of these annual consolidated financial statements, the Company completed the implementation of its financial restructuring:

- On January 31, 2013, Yildirim Group, an equity holder of the Company, subscribed to new bonds mandatorily redeemable in shares for an amount of USD 100 million giving right to a 4% stake in CMA CGM upon conversion. These bonds bear interest at 12% per annum payable in cash.
- On February 6, 2013, the French Fonds Stratégique d'Investissement (FSI) agreed to subscribe to new bonds mandatorily redeemable in shares for an amount of USD 150 million giving right to a 6% stake in CMA CGM upon conversion. These bonds bear interest at 12% per annum payable in cash; and
- On February 12, 2013 the banks agreed a new debt restructuring program including modified covenants to take into account the industry's volatility and a partial extension of the existing revolving credit facility into new secured term loans.

Due to the fact that these agreements have been finalized post balance sheet date, the Company was still in breach of its financial covenants as at December 31, 2012. As a consequence, the financial debt for which a breach was identified amounting to USD 2,124,808 thousand is presented within current liabilities as at December 31, 2012.

Had these agreements been received prior to December 31, 2012, the maturity of the financial debt would have been presented as follows:

Restated "as if" all agreements had been signed as at December 31, 2012	As at December 31, 2012	Reimbursement date : December 31,					
		2013 *	2014	2015	2016	2017	Onwards
Senior Note	**920 792**	53 209	24 974	25 140	25 305	416 644	375 520
Redeemable Bonds	**221 622**	33 615	37 973	42 803	48 208	54 379	4 644
Bank debt	**2 436 472**	598 366	320 222	317 122	198 408	209 495	792 859
Obligations under finance leases	**1 320 250**	161 025	153 553	324 977	251 724	287 776	141 195
Bank overdrafts	**45 308**	45 308	—	—	—	—	—
Other financial debts	**618 707**	165 273	431 260	14 374	471	623	6 706
Total	**5 563 151**	1 056 796	967 982	724 416	524 116	968 917	1 320 924

(*) See the comment below

Such maturities have been presented taking into account post balance sheet event (see Note 35).

(*) Included in 2013 repayments are the following specific liabilities that do not really correspond to financial debt repayments for a total amount of USD 139 million:

- Bank overdrafts for USD 45 million;

- Accrued interests amounting to USD 49 million; and
- A debt repayment which will be offset by an equivalent cash increase of USD 45 million corresponding to a loan-to-value that will be paid back to the Company.

On January 25, 2013, the Company entered into an agreement to sell a 49% stake in a portfolio of ports operated by one of the Company's subsidiaries, Terminal Link to China Merchant Holdings (International), the largest public port operator in China, for a consideration of € 400 million (USD 528 million).

3.2 Going Concern

The annual consolidated financial statements as at December 31, 2012 have been prepared on a going concern basis, which management considers appropriate based on its assessment of the future level of profit and cash flows to be generated by operations, on the recent finalization of the Company's action plan to sell certain assets and businesses and on the completion of the financial restructuring.

3.3 Vessels ordered

In 2009, the Company cancelled certain vessel orders and entered into discussions with some shipyards regarding other orders.

Prepayments amounting to USD 303 million were reclassified from property and equipment to other non-current financial assets and an impairment charge was recognized for USD 301 million. In addition the Company recognized a provision amounting to USD 66 million to reflect its estimated contractual obligations towards shipyards.

In 2012, the Company recorded an additional allowance of USD 14 million to cover the prepayments and other contractual obligations regarding two vessel orders.

As at December 31, 2012, the remaining provision for prepayments and related to vessel order under negotiation amounts to USD 168 million (USD 154 million as of December 31, 2011 including prepayments impaired for USD 122 million and provision for additional risks and obligation for USD 32 million).

As at the date of the approval of these annual consolidated financial statements, the Company is still under negotiations with the shipyards for the cancellation of 11 vessels and has 2 vessels in its orderbook, corresponding to two 16,000 TEU container vessels (see Note 32.1).

3.4 Other financial risks

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and bunker costs risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial and oil/commodity markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury and bunkering departments according policies approved by management. These departments identify, evaluate and hedge financial risks in close relation with operational needs. Management provides written principles for overall risk management, as well as written policies covering specific areas, such as bunker risk, foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

(a) Bunker costs risk

The Company applies bunker surcharges (Bunker Adjustment Factor or BAF) to compensate for fluctuations in the price of fuel. The Group's risk management policy is also to hedge through "over-the-counter" derivative instruments such as swaps and options. The Company analyzes its exposure to price fluctuations on a continual basis.

The fuel prices over the last three years are as follows:

	Closing rate			Average rate		
Market data as at:	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Nymex WTI (1st nearby un $ per barrel)	91,82	98,83	91,38	94,15	95,11	79,64
Brent (1st nearby un $ per barrel)	111,11	107,38	94,75	111,63	110,85	80,36

As at December 31, 2012, the Company hedged approximately 3% of expected purchase of bunkers for the next year (9% of expected purchase of bunkers for the next year covered as at December 31, 2011).

The table below analyses the nominal amount and the fair value of the Group's derivative financial instruments entered into to hedge the Company's exposure to bunker cost fluctuations as at December 31, 2012:

	Maturity			
As at December 31, 2012	**Nominal amount in thousand U.S. Dollars**	**Less than 1 year**	**More than 1 year**	**Fair value of derivatives**
Commodity swaps—cash flow hedge	**—**	—	—	—
Other derivatives—not qualifying for cash flow hedge	**159 783**	159 783		8 467
Total	**159 783**	**159 783**	**—**	**8 467**

* *Derivative nominal values per agreement are established in barrels. For the purpose of the above disclosure, nominal values have been converted to dollars using contractual prices (fixed swap price or strike).*

With all other variables constant and excluding the impact of the BAF, the effect of a 10% increase in the spot price of bunkers on the 2012 consolidated income statement would have been an decrease of USD 2,020 thousand in the fair value of derivatives. An equivalent 10% decrease would have had a positive impact of USD 3,393 thousand.

(b) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The functional currency of the Group being the U.S. Dollar, the Company is primarily exposed to the Euro and the Pound Sterling currency fluctuations regarding its operational transactions, and to the Euro currency fluctuations regarding its financing transactions. Transactional currency exposure risks arise from sales or purchases by an operating unit in a currency other than the Group's functional currency.

As at December 31, 2012	**Carrying amount in thousand U.S. Dollars**	**USD**	**EUR**	**GBP**	**Others**
Trade receivables and prepaid expenses	**2 433 954**	1 189 921	507 408	259 624	477 001
Cash and cash equivalents and financial assets at fair value through profit and loss	**613 314**	302 014	66 292	15 934	229 074
Trade payables and current deferred income	**3 419 576**	1 484 986	912 187	135 095	887 308
Financial Debt	**5 563 151**	3 779 485	1 650 018	45 135	88 513 *
				YEN	13 705 *

This exposure is mitigated to a certain extent by the currency mix of operating revenues and expenses. The Company may conclude certain derivative transactions to hedge specific risks.

The sensitivity of the fair value of derivative instruments to foreign currency fluctuations, with all other variables constant, is not significant for most currencies. Regarding the U.S. Dollar against the Euro, a variation of 0.10 (e.g. 1.47 to 1.57) would result in a reduction of USD 340 thousand in the fair value of derivatives and USD 161 thousand in the interest expense. Regarding the U.S. Dollar against the Yen, a variation of 0.001 (e.g. 0.0089 to 0.0099) would result in a reduction of USD 1,847 thousand in the fair value of derivatives and USD 117 thousand in the interest expense.

(c) Price risk on equity securities

The Group is exposed to an equity securities price risk due to investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through profit and loss and as available-for-sale financial assets. To manage the price risk arising from investments in equity securities, the Group diversifies its portfolio.

A 5% increase on the existing portfolio in equity securities as at December 31, 2012 would have a positive impact on the income statement of USD 116 thousand for financial assets at fair value through profit and loss (USD 573 thousand as at December 31, 2011).

(d) Cash Flow Interest rate risk

The year 2012, as in previous years, has been affected by the global economic down turn, the liquidity crunch and historic low levels of market interest rates.

	Closing rate			Average rate		
Market data as at:	2012	2011	2010	2012	2011	2010
LIBOR USD 3 M	0,31%	0,58%	0,30%	0,43%	0,34%	0,34%

The Group's interest rate risk mainly arises from financial debts. The Company has financial debts (including obligations under capital leases) issued at variable rates (USD Libor) that expose the Company to a cash flow interest rate risk.

As at December 31, 2012, taking into account the interest rate hedges, the debts bearing interest at variable rates represent 39% of total debts against 61% at fixed rates.

The table below analyzes the fair value of the Group's interest rate derivatives in relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date.

As at December 31, 2012	Nominal amount in thousand U.S. Dollars	Maturity: Less than 5 years	Maturity: More than 5 years	Fair value of derivatives
Interest swaps—cash flow hedge	**885 483**	407 815	477 668	(116 484)
Interest swaps—not qualifying for cash flow hedge	**411 927**	354 588	57 340	(9 086)
Total	**1 297 411**	**762 403**	**535 008**	**(125 570)**

The following table presents the sensitivity analysis of the Group's profit before tax and of the Cash Flow reserve as at December 31, 2012 to a possible change in interest rates, with all other variables held constant.

(in USD thousand)		Income Statement impact		Balance Sheet impact
		Change in fair value of derivatives	Interest expenses *	Cash Flow Reserve
U.S Dollar	+1%	30 123	5 736	27 589
Euro	+1%	(590)	24	—
Japanese Yen	+1%	(952)	(760)	—

* excluding the effect on underlying hedged transactions

Credit risk

The Group trades with large, recognized, creditworthy third parties and also with a very large number of smaller customers for which prepayments are often required. Trade receivables and third party agents outstanding balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant (bad debts represent 0.5% of revenue in 2012 and 0.4% in 2011). Because of the large customer base, the Group has no significant concentration of credit risk. No customer represents more than 5% of Group revenue.

Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

Liquidity risk

The maturity profile of the Group's financial liabilities at December 31, 2012 based on contractual undiscounted payments is disclosed in Note 30.

The table below presents the undiscounted cash flows of interest swap derivatives based on spot rate as at December 31, 2012 (for translation to U.S. Dollars) and on the interest rate curve as at December 31, 2012:

(in USD thousand)	2013	2014	2015	2016	2017	Onwards
Interest swaps—Assets *	5 330	4 423	2 743	775	572	815
Interest swaps—Liabilities **	(51 497)	(46 399)	(38 689)	(30 790)	(22 667)	(44 838)
Total	**(46 168)**	**(41 976)**	**(35 946)**	**(30 015)**	**(22 095)**	**(44 023)**

* *"Interest swaps—Assets" relates to those derivatives which had a positive fair value as of December 31, 2012.*
** *"Interest swaps—Liabilities" relates to those derivatives which had a negative fair value as of December 31, 2012.*

Certain financing agreements effective in 2011 and 2012 required the fulfillment of the following financial covenants:

- Maximum leverage ratio (Net Financial Debt / EBITDA); and
- Minimum coverage ratio (EBITDA / Principal and interest repayments);
- Maximum gearing ratio (Net debt / Equity);
- Loan-to-value ratio (financing / market value of related vessel);
- Minimum cash balance;

As presented in Note 3.1, the Company has completed its financial restructuring post balance sheet date. A new covenant package taking into account the industry's volatility has been agreed which removes any requirement regarding the maximum leverage and minimum coverage ratios. A new covenant has been set which is based on long-term chartering commitments.

Regarding the liquidity risk linked to vessel financing, please refer to the financial commitments presented in Note 32.

Capital risk management

The Group monitors capital on the basis of the ratios described above. EBITDA is a non-IFRS measure defined as Earnings Before Interest, Tax, Depreciation and Amortization and it corresponds to the line "Operating profit / (loss) before depreciation, amortization, income from associates and jointly controlled entities and other operating items" in the consolidated income statement. Net debt includes financial debt less cash and cash equivalents and marketable securities.

Fair value hierarchy

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2012:

As at December 31, 2012	Level 1	Level 2	Level 3	Total Balance
Assets				
Financial assets at fair value through profit or loss	12 005	—	—	12 005
Derivatives not qualified to hedge accounting	—	11 161	5 301	16 462
Derivatives used for hedging	—	—	—	—
Available-for-sale financial assets	—	—	74 974	74 974
Total Assets	**12 005**	**11 161**	**80 275**	**103 441**
Liabilities				
Derivatives not qualified to hedge accounting	—	16 970	—	16 970
Derivatives used for hedging	—	116 484	—	116 484
Total Liabilities	**—**	**133 454**	**—**	**133 454**

The following table presents the group's assets and liabilities that are measured at fair value at December 31, 2011:

As at December 31, 2011	Level 1	Level 2	Level 3	Total Balance
Assets				
Financial assets at fair value through profit or loss	18 230	—	—	18 230
Derivatives not qualified to hedge accounting	—	13 357	660	14 017
Derivatives used for hedging	—	—	—	—
Available-for-sale financial assets	—	—	58 832	58 832
Total Assets	**18 230**	**13 357**	**59 492**	**91 079**
Liabilities				
Derivatives not qualified to hedge accounting	—	61 860	3 063	64 923
Derivatives used for hedging	—	91 279	—	91 279
Total Liabilities	**—**	**153 139**	**3 063**	**156 202**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise listed equity investments classified as available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to calculate the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument would be included in level 3.

4. Significant events during the presented periods

Significant events in 2012

Terminal Link disposal

On January 25, 2013, the Company entered into an agreement to sell a 49% stake in a portfolio of ports operated by one of the Company's subsidiaries, Terminal Link to China Merchant Holdings (International) (CMHI). The Company initiated discussions with CMHI during the course of 2012. In October 2012, management considered that the main terms of the agreement proposed by CMHI were satisfactory and that the transaction had become highly probable. Since that date, assets and related liabilities have been reclassified in assets held-for-sale and associated liabilities, as required under IFRS 5 (see Note 28).

Disposals of vessels

In January 2012 the Company sold one 5,800 TEU vessel for USD 41 million which was previously presented in assets held for sale. This sale resulted in a net cash inflow amounting to USD 15 million after repayment of the related outstanding financing.

In June 2012 the Company sold two 5,800 TEU vessels for USD 77 million. This sale resulted in a net cash inflow amounting to USD 28 million after repayment of the related outstanding financing.

Delivery of 16,000 TEUs vessel Marco Polo

On November 5, 2012, the Company took delivery of the biggest vessel in its fleet and currently the world's largest (capacity) containership, the CMA CGM Marco Polo capable of carrying up to 16,020 TEUs. The delivery has been financed by a combination of equity consideration and external funds via a vendor loan from the shipyard amounting to USD 28 million and a financial debt amounting to USD 80 million.

Disposal of Compagnie du Ponant (see Note 13)

On August 6, 2012, the Company finalized the disposal of its cruise division, Compagnie du Ponant for a consideration of USD 83 million. The Company no longer holds any shares and is no longer active in Compagnie du Ponant. The Company has provided a vendor loan amounting to EUR 65 million which is repayable in full on August 6, 2016 and bears annual interest at 5%. The payment of a dividend by Compagnie du Ponant is subordinated to the repayment of such loan.

Delmas merger

Delmas SAS merged into CMA CGM SA on July 1, 2012. This internal restructuring did not have any impact on the Group's consolidated financial statements. The Group will continue to operate under the Delmas brand in certain parts of the world.

Significant events occurred in 2011

Investment of Yildirim

On January 27, 2011, the Company received USD 500 million in cash in relation to the investment of Yildirim Group (Yildirim) through a subscription to bonds mandatorily redeemable in the Company's preferred shares. These bonds bear interest at 12% per annum payable in cash. Upon their mandatory conversion into preferred shares in 2016, they will be entitled to a preferred dividend providing an effective yield of 12% per annum payable in cash. In 2018, they will automatically be converted into common shares of the Company. Due to these characteristics, the USD 500 million cash consideration received was accounted for as follows:

- an equity contribution of USD 221 million (USD 219 million net of issuance costs),
- an increase of the financial debt amounting to USD 279 million (USD 276 million net of issuance costs) corresponding to the net present value of the mandatory coupon and dividend stream payable during the 7 years until the conversion of the bonds into Company's common shares.

As a minority shareholder, Yildirim has representatives on the Board of Directors of the Company.

USD 945 million bond issue and early redemption of senior notes due in 2012 and 2013

On April 27, 2011, the Company raised USD 945 million (USD 927 million net of issuance costs) through the sale of unsecured bonds with the following characteristics:

- 475 million in dollar-denominated senior notes with an interest rate of 8.5%, which are due to mature in 2017; and
- 325 million in euro-denominated notes with an interest rate of 8.875% due 2019.

Proceeds from the issuance of these bonds were used in July 2011 for the early redemption of the Company's senior notes due in 2012 and 2013 for an amount of USD 552 million, including early redemption premium amounting to USD 19 million presented within "other financial expense".

The Company carried out a partial repurchase of these bonds issued in April 2011 for a nominal amount of USD 130,818 thousand. These transactions resulted in a positive impact in the income statement within "Other financial income" for an amount of USD 72,232 thousand representing the difference between the nominal price of the bond at issuance and the repurchase value. The total consideration paid by the Company amounted to USD 58,586 thousand.

Delivery of vessels and refinancing of vessels delivered in 2011

The Company took delivery of 9 container vessels in the year, of which 6 were financed through bank debt and 3 under capital lease or similar arrangements. In addition, the Company refinanced 4 vessels already delivered in 2010 under capital leases or similar arrangements.

Sale of 50% share over Malta Freeport Terminals Limited

On June 30, 2011, the Company reached an agreement with Yildirim regarding the sale of 50% of its shareholding in Malta Freeport Terminals Limited for a cash amount of EUR 200 million (USD 289 million).

As a result of this transaction, the Company and Yildirim have joint control over the power to govern the financial and operating policies of Malta Freeport Terminal Limited so as to share benefits from its activities.

As the Company lost control of its subsidiary, it derecognized the assets and liabilities of Malta Freeport Terminals Limited at their carrying amounts at the date when control was lost and simultaneously recognized the 50% investment retained in the former subsidiary at its fair value.

As a result, the accounting effect of the transaction can be analyzed as follows at the balance sheet date:

Derecognition of Malta Freeport Terminal Ltd assets and liabilities

Consideration received from Yildirim for 50% stake	**289 060**
Estimated fair value of Malta Freeport Terminal Ltd based on 100% stake (i)	**578 120**
Carrying amount of assets and liabilities at June 30, 2011	
Property, equipment and intangible assets	182 865
Other financial assets	(1 899)
Deferred tax assets	200 858
Working capital, net	42 564
Financial debt	(153 105)
Other liabilities and items of other comprehensive income	(675)
Total (ii)	**270 608**
Gain on disposal of Malta Freeport Terminal Ltd ((i) – (ii))	**307 512**
Recognition of 50% investment retained at fair value	289 060

Sale of 51% share of Compagnie du Ponant

On June 30, 2011, the Company sold 51% of its shareholding in Compagnie du Ponant and subsidiaries to a subsidiary of its ultimate parent company Merit Corporation. As part of the Company's financial restructuring plan, it committed not to increase its financial contribution to Compagnie du Ponant and to sell its majority shareholding. The Group previously held 90% of this subsidiary. Merit Corporation, the majority shareholder of the Company, contributed USD 130.7 million to Compagnie du Ponant, which allowed it to complete the financing for the acquisition of two previously ordered new cruise ships, and acquired 51% of the shares for a symbolic amount of 1 euro. This transaction resulted in a loss on disposal amounting to USD 25 million.

Acquisition of Intramar and Intramar STS

Intramar and Intramar STS are companies which provide stevedoring services. In 2011, as part of the program of privatization of certain port activities in France, the companies acquired certain assets and assumed certain liabilities from the port authorities which resulted in an excess of net assets compared to the cash consideration paid. The excess of net assets acquired over the cash consideration amounting to USD 9,028 thousand was recorded in "Other income and expense".

5. Operating segments

For management purposes, the Group reports two operating segments: container shipping activity, which represents more than 93% of revenue, and other activities. As disclosed in Note 2.3, CMA CGM is organized as a worldwide container carrier, managing its customer base and fleet of vessels and containers on a global basis. As a result, assets, including goodwill, are not monitored by the Company according to geographic area. Other activities include container terminal operations and transport by rail, road and river.

Certain items are unallocated as management considers that they do not affect the ongoing operating performance of the Group. These include for the presented periods: financial restructuring fees (Note 11), interest on deferred payments due or paid to shipyards (Note 12), impairment of prepayments following the cancellation of certain vessel orders (Note 3.3 and 9), gain / (loss) on disposal of subsidiaries (Note 8), loss on the refinancing of certain vessels sold and chartered back, the impact of discontinued operations (Note 13), and impairment losses on assets held-for-sale (Note 28).

Segment performance is evaluated by management based on the following measures:

- Revenue
- EBITDA
- Profit / (Loss) for the period

The segment information for the reportable segments for the year ended December 31, 2012 is as follows:

As at December 31, 2012 — *in USD thousand*

Operational segments	Revenue	EBITDA	Profit / (Loss) for the year
Total container shipping segment	14 748 083	1 110 536	330 116
Other activities	1 175 146	213 799	205 255
Unallocated items	—	—	(174 758)
Total consolidated measures	**15 923 229**	**1 324 336**	**360 613**

The segment information for the reportable segments for the year ended 31 December 2011 is as follows:

As at December 31, 2011 (*) — *in USD thousand*

Operational segments	Revenue	EBITDA	Profit / (Loss) for the year
Total container shipping segment	13 734 059	209 821	(390 438)
Other activities	1 135 534	216 323	135 307
Unallocated items	—	302 567	250 566
Total consolidated measures	**14 869 593**	**728 711**	**(4 565)**

(*) Restated to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised (note 2.2)

Unallocated items as at December 31, 2012 mainly relates to the impact of the disposal of the cruise division as presented in Note 12.

Unallocated items as at December 31, 2011 mainly relates to the sale of a 50% shareholding in Malta Freeport Corporation Limited, a company which operates a terminal in Malta (see Note 4).

6. Operating expenses

Operating expenses are analyzed as follows:

	Year ended December 31, 2012	2011 (*)
Bunkers and consumables	(3 845 087)	(3 879 476)
Chartering and slots purchases	(1 747 765)	(1 937 490)
Handling and stevedoring	(3 401 950)	(3 194 252)
Transportation	(1 533 796)	(1 480 429)
Port and canal	(1 028 443)	(1 039 762)
Logistic	(1 138 961)	(1 056 732)
Employee benefits	(1 088 790)	(1 108 621)
General and administrative other than employee benefits	(619 282)	(628 938)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(50 828)	(3 223)
Operating exchange gains / (losses), net	127	(46 449)
Other operating expenses	(162 991)	(187 224)
Operating expenses	**(14 617 766)**	**(14 562 596)**

(*) Restated to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised (note 2.2)

The Company stabilized its operating expenses despite the growing volumes carried as a result of the successful implementation of its cost reduction program.

The accompanying notes are part of these annual consolidated financial statements

7. Employee benefits

Employee benefit expenses are analyzed as follows:

	Year ended December 31,	
	2012	2011 (*)
Wages and salaries	(865 177)	(878 454)
Social security costs	(182 458)	(181 417)
Pension costs	(12 015)	(16 025)
Other expenses	(29 140)	(32 725)
Employee benefits	**(1 088 790)**	**(1 108 621)**

(*) Restated to reflect the early adoption of IAS 19 Revised (note 2.2)

The number of employees of the Company is 16,239 as at December 31, 2012 (16,161 as at December 31, 2011).

8. Gains on disposal of property and equipment and subsidiaries

Gains on disposal of property and equipment and subsidiaries consist of the following:

	Year ended December 31,	
	2012	2011
Disposal of vessels	(2 109)	9 954
Disposal of containers	21 357	103 810
Other fixed assets disposal	(376)	439
Disposal of subsidiaries	—	307 511
Gains on disposal of property and equipment and subsidiaries (see Note 4)	**18 873**	**421 714**

The Company sold certain containers through sale and operating lease back contracts resulting in:

- an increase in cash and cash equivalents amounting to USD 58 million; and
- a gain on disposal amounting to USD 21 million (USD 104 million as at December 31, 2011).

In 2011, the gain on disposal of subsidiaries relates to the sale of a 50 % shareholding in Malta Freeport Corporation Limited which resulted in the loss of control over the terminal (see Note 4).

9. Other income and expense

	Year ended December 31,	
	2012	2011
(Allowance) / Reversal on shipyards prepayments	(13 859)	49 711
Impairment of assets classified as held-for-sale	(28 884)	(5 588)
Excess of net assets over cash consideration paid	—	9 028
Other	(2 616)	(1 741)
Other income and expense	**(45 359)**	**51 410**

As disclosed in Note 4, the Company recorded in 2012:

- an additional allowance of USD 14 million in order to cover the prepayments and other contractual obligations (see Note 3.3); and
- impairment on vessels classified as held-for-sale (see Note 28).

10. NPV benefits related to assets

As disclosed in note 2, the Company recognizes the cost of vessels as property and equipment, and the net present value ("NPV") of future lease payments as obligations under finance leases, the difference being amortized over the tax financing period. In 2012, 1 new vessel benefited from such financing compared to 9 new vessels in 2011.

11. Cost of net debt

Cost of net debt is analyzed as follows:

	Year ended December 31,	
	2012	2011
Interest income on cash and cash equivalents	10 331	18 400
Interest expense on financial debt	(354 230)	(316 894)
Financial cost related to debt restructuring	(5 316)	(16 740)
Interest rate and foreign currency financial derivatives	(48 285)	(49 532)
Foreign currency exchange gains / (losses) on financial debt	(12 411)	(66 056)
Cost of net debt	**(409 911)**	**(430 822)**

The increase in interest expense on financial debt is mainly due to the higher interest rate margins applied as part of the first debt restructuring which took place in April 2011.

Foreign currency exchange gains / (losses) relate to realized exchange gains and losses on financial debt. The unrealized portion of such exchange gains and losses is presented within "Other financial items" (see Note 12).

In 2012 and 2011, financial cost related to debt restructuring corresponded to certain waiver fees and restructuring fees that could not be amortized using the effective interest method. When applicable, the Company defers transaction costs related to debt financing obtained or in progress. Such transaction costs are amortized using the effective interest rate method.

12. Other financial items

Other financial items consist of the following:

	Year ended December 31,	
	2012	2011
Other financial items related to debt restructuring	—	33 400
Interests for deferred payments to shipyards	(17 737)	(63 947)
Change in fair value and settlement of derivative instruments that do not qualify for hedge accounting	(8 601)	(53 050)
Change in fair value of financial assets at fair value through profit and loss	3 763	(2 588)
Result from disposal of financial assets at fair value through profit and loss	(1 970)	(489)
Repurchase of bonds (see Note 4)	—	72 232
Foreign currency exchange gains / (losses) on financial operations	(23 141)	39 879
Other financial income and expense, net	(16 208)	(27 635)
Other financial items	**(63 893)**	**(2 198)**

In 2011, other financial items related to debt restructuring include the reversal of part of the early termination costs estimated in 2010, in relation to certain hedge transactions entered into to hedge future debt commitments and which became ineffective.

Certain payments to shipyards have been postponed, resulting in interest paid or payable recorded as a financial expense.

Change in fair value and settlement of derivative instruments that do not qualify for hedge accounting reflects the volatility of fuel prices, currencies and interest rates during the periods.

13. Discontinued operations

On August 6, 2012, the Company sold its remaining 39% ownership in Compagnie du Ponant (CDP) and subsidiaries, which formed the cruise division of the Company, for an amount of USD 83 million, resulting in a loss amounting to USD 98 million.

As part of this agreement, the Company granted a vendor loan amounting to EUR 65 million (USD 86 million at balance sheet date) repayable in 4 years and bearing annual interest at 5% and received an immediate cash payment amounting to EUR 1.2 million (USD 1.5 million).

The losses from discontinued operations can be analyzed as follows (in USD thousand):

	Year ended December 31, 2012	2011
Net assets value of the investment in CDP (i)	(180 927)	—
Sale price of the transaction (ii)	83 346	—
Share of profit (or loss) of associates and joint ventures (iii)	(11 202)	(22 724)
Profit / (loss) for the year from discontinued operations (ii + i + iii)	**(108 783)**	**(22 724)**

14. Income tax

Income tax consists of the following:

	Year ended December 31, 2012	2011 (*)
Current tax	(570 451)	(52 868)
Deferred tax	(7 203)	19 397
Income Taxes	**(64 655)**	**(33 472)**

(*) Restated to reflect the early adoption of IAS 19 Revised (note 2.2)

Reconciliation of the income tax expense:	Year ended December 31, 2012	2011 (*)
Profit / (Loss) before tax and share of profit (or loss) of the associates and joint ventures	494 944	27 253
Profit / (loss) for the year from discontinued operations	(108 783)	(22 724)
Profit / (Loss) before tax and share of profit (or loss) of the associates and joint ventures and profit / (loss) for the year from discontinued operations	**386 161**	**4 529**
Theoritical income tax (tax rate of 36,10%)	(139 404)	(1 559)
Income tax expense	(64 655)	(33 472)
Difference between theoritical and effective income tax	**74 749**	**(31 913)**
Tonnage tax regime resulting in a reduced effective income tax rate	72 100	(55 292)
Use or recognition of deferred tax assets previously unrecognized	1 540	4 155
Effect of different tax rates in foreign tax jurisdictions	25 943	2 235
Unrecognized tax losses generated by certain SPV not liable to tonnage tax	(78 096)	(30 657)
Other permanent differences including effect of exchange rate	53 262	47 646
Difference	**74 749**	**(31 913)**

(*) Restated to reflect the early adoption of IAS 19 Revised (note 2.2)

15. Goodwill

Goodwill is analyzed as follows:

	As at December 31, 2012	As at December 31, 2011
Beginning of the year	393 098	432 606
Reclassification to assets held-for-sale (see note 28)	(101 573)	—
Reclassification to "investment in associates"	—	(34 846)
Impairment	(343)	(342)
Foreign currency translation adjustment	6 869	(4 320)
At the end of the year	**298 052**	**393 098**
of which:		
Allocated to container shipping	*279 716*	*279 220*
Allocated to other activities	*18 336*	*113 878*

The assumptions used for the purposes of impairment tests are detailed in Note 2.3. As disclosed in this Note, as at December 31, 2012, no impairment loss was recognized on tests performed at a cash generating unit level.

The accompanying notes are part of these annual consolidated financial statements

16. Other Intangible assets

Other intangible assets comprise software and costs capitalized as part of information system development projects and are analyzed as follows:

	Software			
	In use	In-progress	Others	Total
Cost of Other intangible assets				
As at January 1, 2011	**267 379**	**49 942**	**116 407**	**433 728**
Acquisitions	3 177	24 586	342	28 105
IFRIC 12 adjustment	—	—	(9 159)	(9 159)
Acquisitions of a subsidiary	1 059	2	—	1 061
Disposals	(402)	—	(179)	(581)
Disposals of a subsidiary	(1 077)	—	—	(1 077)
Reclassification	21 125	(20 335)	(113)	677
Foreign currency translation adjustment	(648)	(11)	(2 482)	(3 141)
As at December 31, 2011	**290 613**	**54 184**	**104 816**	**449 613**
Acquisitions	6 167	21 526	2 448	30 141
IFRIC 12 adjustment	—	—	(867)	(867)
Acquisitions of a subsidiary	64	—	—	64
Disposals	(3 321)	(1)	(11)	(3 333)
Disposals of a subsidiary	—	—	—	—
Reclassification of assets held-for-sale (see Note 28)	(286)	(68)	(74 013)	(74 367)
Reclassification	13 054	(13 019)	416	451
Foreign currency translation adjustment	(198)	19	379	199
As at December 31, 2012	**306 093**	**62 640**	**33 168**	**401 901**

Amortization of Other intangible assets is as follows:

	Software			
	In use	In-progress	Others	Total
Amortization of Other intangible assets				
As at January 1, 2011	**(131 196)**	**—**	**(12 760)**	**(143 956)**
Amortization	(36 070)	—	(5 535)	(41 605)
Acquisitions of a subsidiary	(490)	—	—	(490)
Disposals	397	—	160	557
Disposals of a subsidiary	811	—	—	811
Reclassification	(139)	—	(71)	(210)
Foreign currency translation adjustment	319	—	528	847
As at December 31, 2011	**(166 368)**	**—**	**(17 678)**	**(184 046)**
Amortization	(38 983)	—	(4 376)	(43 359)
Acquisitions of a subsidiary	(0)	—	—	(0)
Disposals	3 272	—	11	3 283
Reclassification of assets held-for-sale (see Note 28)	105	—	12 686	12 791
Reclassification	40	—	(570)	(530)
Foreign currency translation adjustment	(24)	—	(84)	(108)
As at December 31, 2012	**(201 958)**	**—**	**(10 011)**	**(211 970)**

	Software			
	In use	In-progress	Others	Total
Net book value of Other intangible assets				
As at December 31, 2012	**104 135**	**62 640**	**23 157**	**189 932**
As at December 31, 2011	**124 244**	**54 184**	**87 138**	**265 567**
As at January 1, 2011	**136 183**	**49 942**	**103 647**	**289 772**

Significant internal and external software development is required in the industry to ensure high quality systems. Costs capitalized as software mainly correspond to costs incurred for the in-house development of (i) shipping agency systems, implemented throughout the worldwide Group agency network, which address bookings, billings and transportation documentation, (ii) the operating system including logistical support and container tracking and (iii) the comprehensive ERP accounting and financial reporting system implemented within all Group shipping entities.

Terminal concession rights recognized as other intangible assets in accordance with IFRIC 12 have been reclassified in assets held-for-sale for an amount of USD 61 million in 2012 (see Note 28). These concession rights correspond to the subsidiary Somaport, a terminal in Morocco.

17. Property and equipment

Property and equipment are analyzed as follows:

	As at December 31, 2012	**As at December 31, 2011**
Vessels		
Cost	7 128 646	7 182 984
Accumulated depreciation	(1 087 357)	(904 381)
	6 041 289	**6 278 603**
Containers		
Cost	1 145 191	1 172 734
Accumulated depreciation	(406 749)	(400 435)
	738 442	**772 299**
Land and buildings		
Cost	718 307	703 660
Accumulated depreciation	(90 833)	(65 940)
	627 474	**637 720**
Other property and equipment		
Cost	275 393	345 336
Accumulated depreciation	(151 861)	(152 536)
	123 532	**192 800**
Total		
Cost	**9 267 537**	**9 404 714**
Accumulated depreciation	**(1 736 800)**	**(1 523 292)**
Property and equipment	**7 530 737**	**7 881 422**

As at December 31, 2012, assets held under capital leases, tax lease agreements and other similar arrangements included in the above table represented a cost of USD 3,229 million (USD 3,282 million as at December 31, 2011) and an accumulated depreciation of USD 502 million (USD 478 million as at December 31, 2011).

Prepayments made to shipyards relating to vessels under construction are presented within “Vessels” and amount to USD 197 million as at December 31, 2012 (USD 272 million as at December 31, 2011).

As at December 31, 2012, the carrying amount of property and equipment held as collateral of financial debts amounts to USD 6,703 million (USD 7,243 million as at December 31, 2011).

Investment properties recognized at fair value amount to USD 15 million (USD 17 million as at December 31, 2011).

Variations in the cost of property and equipment for the year ended December 31, 2012 and the year ended December 31, 2011 are analyzed as follows:

Cost of Property and equipment	Vessels Owned	Vessels Leased	Vessels In-progress	Containers	Land and buildings	Other property and equipment	Total
As at January 1, 2011	**3 192 208**	**2 457 699**	574 348	**1 417 147**	**711 959**	**546 283**	**8 899 644**
Acquisitions	16 341	2 094	998 721	14 401	21 909	50 493	1 103 959
Acquisitions of subsidiaries	—	—	—	—	1 465	25 650	27 115
Disposals	(33 018)	(3 175)	—	(258 679)	(247)	(32 185)	(327 304)
Disposals of subsidiaries	—	—	—	—	(0)	(247 475)	(247 475)
Adjustment linked to an agreement with shipyard	—	—	(4 179)	—	—	—	(4 179)
Reclassification from financial deposits	—	—	41 461	—	—	—	41 461
Reclassification to assets held-for-sale	—	(57 314)	—	—	(13 374)	—	(70 688)
Vessels put into service and exercise of purchase option	1 032 197	306 530	(1 338 727)	—	—	—	(0)
Other reclassification	(0)	(0)	0	6	576	2 023	2 605
Foreign currency translation adjustment	(1 571)	(631)	—	(142)	(18 628)	548	(20 424)
As at December 31, 2011	**4 206 157**	**2 705 203**	**271 624**	**1 172 734**	**703 660**	**345 336**	**9 404 714**
Acquisitions	7 528	4 801	167 361	56 740	3 198	20 269	259 896
Acquisitions of subsidiaries	—	—	—	—	—	426	426
Disposals	(58 177)	(114 339)	—	(84 490)	(9 518)	(9 130)	(275 653)
Reclassification from / to financial deposits (see Note 21)	—	—	(45 909)	—	—	—	(45 909)
Reclassification to assets held-for-sale	(29 446)	—	—	—	13 475	(84 453)	(100 424)
Vessels put into service and exercise of purchase option	116 264	80 176	(196 440)	—	—	—	—
Other reclassification	1	(1)	—	—	(1 253)	1 609	355
Foreign currency translation adjustment	(154)	13 997	—	207	8 745	1 336	24 131
As at December 31, 2012	**4 242 173**	**2 689 837**	**196 635**	**1 145 191**	**718 307**	**275 393**	**9 267 535**

As at December 31, 2012 the Company operates 84 vessels owned or under finance lease or equivalent agreements (91 as at December 31, 2011). 2 vessels are under construction as disclosed in Note 32 (6 as at December 31, 2011).

Purchases of property and equipment amounted to USD 260 million in 2012, of which USD 208 million were financed under capital leases or similar arrangements. Borrowing costs capitalized in 2012 amounted to USD nil thousand (USD 52 million in 2011).

Variations in the accumulated depreciation for the year ended December 31, 2011 and the year ended December 31, 2010 are analyzed as follows:

Depreciation of Property and equipment	Vessels			Containers	Land and buildings	Other property and equipment	Total
	Owned	Leased	In-progress				
As at January 1, 2011	**(419 556)**	**(285 718)**	—	**(467 557)**	**(42 690)**	**(182 132)**	**(1 397 653)**
Depreciation	(145 159)	(100 426)	—	(58 777)	(24 553)	(44 965)	(373 880)
Acquisitions of subsidiaries	—	—	—	—	(830)	(13 207)	(14 037)
Disposals	26 927	3 175	—	125 835	(23)	16 835	172 749
Disposals of subsidiaries	—	—	—	—	(0)	71 736	71 736
Reclassification to assets held-for-sale	—	14 979	—	—	1 063	—	16 042
Exercise of purchase option and other reclassification	(98 159)	98 159	—	(6)	(830)	(2 262)	(3 097)
Foreign currency translation adjustment	833	564	—	69	1 923	1 459	4 848
As at December 31, 2011	**(635 114)**	**(269 267)**	**—**	**(400 435)**	**(65 940)**	**(152 536)**	**(1 523 292)**
Depreciation	(161 403)	(93 302)	—	(54 059)	(26 352)	(27 124)	(362 240)
Disposals	32 008	32 659	—	47 801	4 188	7 811	124 466
Impairment	(28 884)	—	—	—	—	—	(28 884)
Reclassification to assets held-for-sale	40 218	—	—	—	(1 468)	20 581	59 331
Exercise of purchase option and other reclassification	(23 454)	23 454	—	—	(107)	(168)	(274)
Foreign currency translation adjustment	132	(4 404)	—	(54)	(1 155)	(426)	(5 907)
As at December 31, 2012	**(776 496)**	**(310 861)**	**—**	**(406 749)**	**(90 833)**	**(151 861)**	**(1 736 800)**

The net book value of property and equipment at the opening and closing of each period presented are analyzed as follows:

Net book value of Property and equipment	Vessels			Containers	Land and buildings	Other property and equipment	Total
	Owned	Leased	In-progress				
As at December 31, 2012	3 465 677	2 378 977	196 635	738 442	627 474	123 532	7 530 736
As at December 31, 2011	3 571 043	2 435 936	271 624	772 299	637 720	192 800	7 881 422
As at January 1, 2011	2 772 652	2 171 981	574 348	949 590	669 269	364 151	7 501 991

The net book value of the containers as at December 31, 2012 includes USD 306 million related to containers under finance leases (USD 326 million as at December 31, 2011).

18. Deferred taxes

Deferred taxes components are as follows:

Deferred tax assets	As at December 31, 2012	As at December 31, 2011
Investment tax credit	10	2 244
Tax losses carried forward	43 063	51 475
Retirement benefit obligations	13 179	20 677
Other temporary differences	6 851	17 587
Total deferred tax assets	**63 103**	**91 983**

Deferred tax liabilities	As at December 31, 2012	As at December 31, 2011
Revaluation and depreciation of property and equipment	22 495	24 097
Undistributed profits from subsidiaries	15 825	15 526
Other temporary differences	1 279	1 527
Total deferred tax liabilities	**39 598**	**41 150**

Tax losses carried forward mainly relate to losses generated in the non-tonnage tax eligible activities liable to corporate income tax in France. These tax losses are recognized only to the extent of the foreseeable taxable profit generated in these activities and the level of the corresponding deferred tax liability. Unused tax losses whose recovery within a reasonable timeframe is considered less than likely are not recognized in the balance sheet and represented USD 769,173 thousand as at December 31, 2012 (USD 568,192 thousand in 2011), representing an unrecognized deferred tax asset of USD 277,672 thousand in 2012 (USD 184,502 thousand in 2011). The unused tax losses can be carried forward indefinitely.

These tax losses were examined and confirmed by the French tax authorities as part of a tax audit which covered the fiscal years 2008 to 2010.

Amounts of taxes recognized directly within other comprehensive income are as follows:

	Year ended December 31,					
	2012			2011 (*)		
Other Comprehensive Income	**Before-tax amount**	**Tax**	**Net-of-tax amount**	**Before-tax amount**	**Tax**	**Net-of-tax amount**
Profit / (Loss) for the year	**425 267**	**(64 655)**	**360 613**	**28 907**	**(33 472)**	**(4 565)**
Other comprehensive income:						
Cash flow hedges	(11 660)	—	(11 660)	98 447	—	98 447
Gains on property revaluation	0	(0)	0	0	—	0
Actuarial gains (losses) on defined benefit pension plans	(8 653)	(1 275)	(9 928)	(13 251)	5 781	(7 470)
Share of other comprehensive income of associates	(973)	—	(973)	(1 529)	—	(1 529)
Exchange differences on translating foreign operations	26 734	—	26 734	(28 340)	—	(28 340)
Other comprehensive income for the year, net of tax	5 449	(1 275)	4 174	55 327	5 781	61 108
Total comprehensive income for the year	**430 716**	**(65 930)**	**364 787**	**84 234**	**(27 690)**	**56 543**

(*) Restated to reflect the early adoption of IAS 19 Revised (note 2.2)

19. Investments in associates and joint ventures

Investments in associates and joint ventures are presented as follows:

	As at December 31, 2012	As at December 31, 2011
Beginning of the year	**624 900**	**336 663**
Transfer from / to investments at cost or loss of control	836	278 686
Disposal	9 771	—
Share of (loss) / profit	39 106	24 378
Dividends received	(7 260)	(13 178)
Other comprehensive income	(973)	(1 529)
Reclassification to assets held-for-sale (see Note 28)	(199 526)	—
Reclassification from goodwill	—	34 846
Other reclassification	(742)	—
Foreign currency translation adjustment	8 256	(34 966)
At the end of the year	**474 369**	**624 900**

Malta Freeport Corporation Limited

In 2011, the Company sold 50% of its shareholding in Malta Freeport Corporation Limited and recognized the 50% investment retained at fair value for an amount of USD 289,060 thousand.

Global Ship Lease

Global Ship Lease owns and charters out 17 vessels under long-term charters, all chartered to CMA CGM. 2 of the vessels have a remaining charter duration of less than 1 year, 15 are time chartered for remaining terms ranging from 4 to 13 years. As at December 31, 2012, the undiscounted time chart payable to Global Ship Lease corresponding to the 17 vessels represents an amount of USD 926 million. The carrying amount of the investment in associates which corresponds to the Company's shares in the net assets of Global Ship Lease of 44.72% is USD 184.2 million. Global Ship Lease is listed on the New York Stock Exchange and the shares owned by the Company had a market capitalization of USD 161 million as at December 31, 2012. Based on cash flow projections taking into account the long term nature of the time charters secured by Global Ship Lease, management believes that no impairment charge is required.

As at December 31, 2012 the summarized financial statements of associates and joint ventures are as follows:

As at December 31, 2012	Portsynergy	Global Ship Lease, Inc **	Container Handling Zeebrugge	CMA CGM Systems	OTHL (CLLC)	XIAMEN HXCT	Gemalink	Malta Freeport Terminal	Malta Freeport Holding	Others Entities	Total as at December 31, 2012	Total as at December 31, 2011
% of shareholding as of December 31, 2012	50,00%	44,72%	35,00%	50,00%	50,00%	20,00%	25,00%	50,00%	50,00%	n.a.	*	*
Non-current assets	312 380	868 295	52 283	13 463	49 604	313 032	89 119	572 562	527 787	57 355	**2 855 879**	**3 059 442**
Current assets	112 084	39 550	20 007	35 273	8 808	2 379	23 942	91 858	—	184 256	**518 157**	**516 143**
Total Assets	**424 464**	**907 845**	**72 290**	**48 736**	**58 412**	**315 411**	**113 061**	**664 420**	**527 787**	**241 611**	**3 374 037**	**3 575 585**
Equity	97 464	358 385	21 056	18 646	3 345	106 439	101 846	561 633	527 787	129 832	**1 926 433**	**1 803 867**
Non-current liabilities	162 708	477 554	41 401	0	54 221	193 832	—	70 765	—	23 435	**1 023 917**	**1 118 366**
Current liabilities	164 292	71 906	9 833	30 090	846	15 140	11 215	32 022	—	88 344	**423 688**	**653 352**
Total Liabilities	**424 464**	**907 845**	**72 290**	**48 736**	**58 412**	**315 411**	**113 061**	**664 420**	**527 787**	**241 611**	**3 374 037**	**3 575 585**
Revenue	**259 331**	**117 037**	**41 495**	**124 981**	**2 112**	**(669)**	**—**	**144 309**	**—**	**181 084**	**869 681**	**889 269**
Profit for the year	**(2 626)**	**23 807**	**2 279**	**1 180**	**(1 501)**	**(6 544)**	**(7 960)**	**29 096**	**—**	**34 444**	**72 174**	**31 204**

* Data based on a 100% shareholding for all entities presented

** *As Global Ship Lease, Inc is a listed Company which has not yet published its year-end 2012 results, financial information as at September 30, 2012 are presented above.*

20. Derivative financial instruments

Derivative financial instruments are analyzed as follows:

	As at December 31, 2012		As at December 31, 2011	
	Assets	Liabilities	Assets	Liabilities
Interest swaps—cash flow hedge	—	116 484	—	91 279
Interest swaps—not qualifying to hedge accounting	7 884	16 970	5 601	16 651
Bunker hedge—not qualifying to hedge accounting	8 467	—	8 351	48 272
Currency forward contracts	111	—	65	—
Total derivative financial instruments	**16 462**	**133 454**	**14 017**	**156 202**
of which non-current portion (over 1 year)	*4 217*	*79 642*	*7 312*	*58 937*
of which current portion (less 1 year)	*12 245*	*53 812*	*6 705*	*97 265*

21. Other financial assets

Other financial assets are analyzed as follows:

Other financial assets gross	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at January 1, 2011	**62 870**	**109 535**	**435 150**	**26 984**	**270 088**	**904 627**
Acquisitions	12 951	1 812	48 716	50 280	52 830	166 589
Acquisitions of subsidiaries	292	1 085	7 244	—	1	8 622
Transfer to investments in associates	(6 923)	—	—	—	—	(6 923)
Loss of significant influence	—	—	—	1 995	—	1 995
Disposals	(797)	(10 647)	(179 782)	(2 813)	(159)	(194 198)
Disposals of subsidiaries	(278)	(0)	(0)	—	—	(278)
Reclassification to assets held-for-sale	—	—	(3 347)	—	—	(3 347)
Prepayments waived	—	—	—	—	(91 255)	(91 255)
Reclassification to / from other assets	(0)	3 649	(9 199)	215 619	12 805	222 874
Foreign currency translation adjustment	(384)	(2 536)	(2 700)	(15 591)	(4 150)	(25 361)
As at December 31, 2011	**67 731**	**102 898**	**296 082**	**276 474**	**240 160**	**983 345**
Acquisitions	44 197	156 200	170 349	2 526	54 861	428 134
Acquisitions of subsidiaries	(0)	—	158	—	—	158
Transfer to investments in associates	(836)	—	—	—	—	(836)
Disposals	(2 468)	(5 692)	(13 257)	(204 378)	(3 339)	(229 135)
Reclassification to assets held-for-sale	(27 812)	(201)	(8 164)	(71 591)	(4 454)	(112 222)
Prepayments related to vessels under construction (see Note 17)	—	—	—	—	45 909	45 909
Reclassification to / from other assets	(162)	(63)	(2 571)	162	(2 850)	(5 484)
Foreign currency translation adjustment	72	8 523	(2 564)	321	2 130	8 482
As at December 31, 2012	**80 722**	**261 666**	**440 033**	**3 514**	**332 417**	**1 118 351**

Other financial assets impairment	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at January 1, 2011	**(5 653)**	**(66)**	**—**	**(3 705)**	**(217 981)**	**(227 405)**
Additions for the year	(3 300)	(47)	—	—	(2 208)	(5 555)
Acquisitions of subsidiaries	(19)	(447)	—	—	—	(466)
Reversals during the year	35	37	—	265	55 644	55 981
Prepayments previously provided for and waived during the year	—	—	—	—	41 461	41 461
Reclassification	—	—	—	—	374	374
Foreign currency translation adjustment	38	29	—	—	—	67
As at December 31, 2011	**(8 899)**	**(494)**	**—**	**(3 440)**	**(122 710)**	**(135 543)**
Additions for the year	(15)	(16 876)	—	(2 106)	0	(18 997)
Reversals during the year	3 183	160	—	5 547	—	8 889
Prepayments related to vessels under construction	—	—	—	—	(13 859)	(13 859)
Reclassification from provision for risks	—	—	—	—	(32 050)	(32 050)
Foreign currency translation adjustment	(17)	(384)	—	—	—	(400)
As at December 31, 2012	**(5 748)**	**(17 593)**	**—**	**—**	**(168 619)**	**(191 960)**

Net book value of Other financial assets	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at December 31, 2012	74 974	244 073	440 033	3 514	163 798	926 391
As at December 31, 2011	58 832	102 404	296 082	273 034	117 450	847 802
As at January 1, 2011	57 217	109 469	435 150	23 279	52 107	677 222

Loans

Included in “Loans” are:

- the vendor loan granted to Compagnie du Ponant amounting to USD 86 million in 2012;
- loans of USD 75 million granted in 2012 by the Company to several financial institutions as part of a global financing arrangement, which are bearing interest at variable rate Euribor + 300 b.p. and; as part of the restructuring implementation occurred post balance sheet date, such loans have been repaid to the Company.
- loans granted to associates and joint ventures.

Deposits

Included in “Deposits” are mainly:

- USD 184 million as at December 31, 2012 (USD 125 million as at December 31, 2011) of cash deposited in escrow accounts in relation to certain loan-to-value provisions in financing agreements whereby a cash deposit is required when the ratio loan to fair market value of a vessel as estimated by independent brokers is above a certain level; and
- USD 138 million as at December 31, 2012 (USD 76 million as at December 31, 2011) of cash deposits which do not qualify as cash available.

Change in deposits is presented within “Variation in other long-term investments” in the consolidated cash flow statement.

Receivables from associates

In 2011 “Receivables from associates” mainly included the Company’s shareholding in Compagnie du Ponant, which has been derecognized in 2012 for an amount of USD 200 million (see Note 13), and some receivables related to terminal activities, which have been reclassified to assets held for sale in 2012 (see Note 28).

Other financial assets

“Other financial assets” include:

- USD 45 million as at December 31, 2012 (USD 48 million as at December 31, 2011) related to preferred shares of Global Ship Lease, Inc. which bear interest at Libor 3M plus 2% and which CMA CGM has accepted to hold until November 2016;
- USD 108 million as at December 31, 2012 (USD 55 million as at December 31, 2011) of financial deposits representing the tax advantage to be received at the end of the lease term; and
- USD 168 million of prepayments paid related to cancelled vessel orders that are fully impaired as at December 31, 2012. In 2012, prepayments amounting to USD 46 million and relating to the cancellation of two additional vessels have been reclassified from “vessels in progress” in property and equipment to other financial assets. The related impairment amount of USD 32 million that was previously recognized as a provision for risks has been reclassified in “other financial assets impairment”. As disclosed in Note 3.2, the Company recorded in 2012 an additional allowance of USD 14 million in order to cover the prepayments and other contractual obligations.

22. Classification of financial assets and liabilities

Set out below is a breakdown by category of carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements as at December 31, 2012 and December 31, 2011:

Assets	As at December 31, 2012	Loans and receivables	Available for sale	Financial assets & liabilities at fair value through profit and loss	Derivative instruments
Derivative financial instruments—non current portion	**4 217**	—	—	—	4 217
Other financial assets	**926 392**	851 418	74 974	—	—
Trade and other receivables	**2 230 526**	2 230 526	—	—	—
Derivative financial instruments—current portion	**12 245**	—	—	—	12 245
Securities	**12 005**	—	—	12 005	—
Cash and cash equivalent	**601 309**	601 309	—	—	—
Total financial instruments—Assets	**3 786 695**	**3 683 254**	**74 974**	**12 005**	**16 462**

Liabilities	As at December 31, 2012	Financial debt at amortized cost	Derivative instruments
Financial debt—non-current portion	**1 616 881**	1 616 881	—
Derivative financial instruments—non-current portion	**79 642**	—	79 642
Financial debt—current portion	**3 946 270**	3 946 270	—
Derivative financial instruments—current portion	**53 812**	—	53 812
Trade and other payables	**2 774 879**	2 774 879	—
Total financial instruments—Liabilities	**8 471 484**	**8 338 030**	**133 454**

Assets	As at December 31, 2011	Loans and receivables	Available for sale	Financial assets & liabilities at fair value through profit and loss	Derivative instruments
Derivative financial instruments—non current portion	7 312	—	—	—	7 312
Other financial assets	847 802	788 970	58 832	—	—
Trade and other receivables	2 103 808	2 103 808	—	—	—
Derivative financial instruments—current portion	6 705	—	—	—	6 705
Securities	18 230	—	—	18 230	—
Cash and cash equivalent	857 117	857 117	—	—	—
Total financial instruments—Assets	**3 840 974**	**3 749 895**	**58 832**	**18 230**	**14 017**

Liabilities	As at December 31, 2011	Financial debt at amortized cost	Derivative instruments
Financial debt—non-current portion	4 956 513	4 956 513	—
Derivative financial instruments—non-current portion	58 937	—	58 937
Financial debt—current portion	1 151 381	1 151 381	—
Derivative financial instruments—current portion	97 265	—	97 265
Trade and other payables	2 945 097	2 945 097	—
Total financial instruments—Liabilities	**9 209 194**	**9 052 992**	**156 202**

23. Inventories

Inventories are detailed below:

	As at December 31, 2012	As at December 31, 2011
Bunkers	444 878	476 965
Lube oil	21 406	19 755
On land	16 822	19 844
Aboard	3 337	4 559
Provision for obsolescence	(1 921)	(1 466)
Inventories	**484 521**	**519 657**

24. Trade and other receivables and payables

Trade and other receivables are analyzed as follows:

	As at December 31, 2012	As at December 31, 2011
Trade receivables	1 785 712	1 578 356
Less impairment of trade receivables	(84 872)	(62 266)
Trade receivables net	**1 700 840**	**1 516 090**
Prepayments	63 611	63 020
Other receivables net, including taxes	349 039	404 314
Employee, social and tax receivables	117 036	120 384
Trade and other receivables	**2 230 526**	**2 103 808**

Movements in the impairment of trade receivables are as follows:

	Year ended December 31,	
	2012	2011
Beginning of the year	(62 266)	(52 905)
Addition to impairment of receivables	(51 057)	(25 448)
Reversal of impairment of receivables	29 220	19 283
Foreign currency translation adjustment	(769)	(3 196)
At the end of the year	**(84 872)**	**(62 266)**

Trade and other payables are analyzed as follows:

	As at December 31, 2012	As at December 31, 2011
Trade payables	1 049 827	1 145 085
Accruals for port call expenses, transportation costs, handling services and other payables	1 526 192	1 609 226
Employee, social and tax payables	198 860	190 786
Trade and other payables	**2 774 879**	**2 945 097**

Other payables include an amount of USD 56 million owed to Merit Corporation, a related party (USD 63 million in 2011). This payable bears interest at 7% per annum and corresponds to dividends declared by the Company in 2007 and 2008 but which have never been paid.

Trade receivables aging and payables mature as follows:

	As at December 31, 2012	Not yet due	0 to 30 days	30 to 60 days	60 to 90 days	90 to 120 days	Over 120 days
Trade and other receivables	**2 230 526**	1 620 375	388 695	113 375	20 240	22 344	65 499
Trade and other payables	**2 774 879**	2 263 810	236 335	60 472	53 376	43 945	116 942

The accompanying notes are part of these annual consolidated financial statements

25. Financial assets at fair value through Profit and Loss

Financial assets at fair value through profit and loss include the following:

	As at December 31, 2012	As at December 31, 2011
Equity stocks	2 835	12 011
Monetary securities	9 119	5 994
Other	51	225
Securities	**12 005**	**18 230**

26. Cash and cash equivalents

Cash and cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

	As at December 31, 2012	As at December 31, 2011
Cash on hand and cash equivalents	601 309	857 117
Bank overdrafts	(45 308)	(146 900)
Net cash and cash equivalents	**556 001**	**710 217**
Cash reported in assets held for sale	**26 435**	**—**
Net cash and cash equivalents as per cash flow statement	**582 436**	**710 217**

Included in Cash and cash equivalents are margin calls related to the Company's derivative financial instruments amounting to USD 37,740 thousand as at December 31, 2012 (USD 97,835 thousand as at December 31, 2011). These amounts are called periodically by financial counterparts in accordance with the Company's standard International Swaps and Derivatives Association (ISDA) agreements. The corresponding financial derivative instruments have been marked-to-market as presented in note 20.

Cash and cash equivalents amounting to USD 26,435 thousand have been reclassified in assets held-for-sale as presented in Note 28. Such cash is still available for the group as at December 31, 2012.

27. Prepaid expenses and deferred income

Prepaid expenses, which include voyages in progress at the year-end, amount to USD 203,427 thousand compared to USD 285,809 thousand in 2011. Deferred income which includes the same voyages in progress, amounts to USD 644,697 thousand compared to USD 646,183 thousand in 2011.

28. Non-current assets held-for-sale and related liabilities

The assets and liabilities classified as held-for-sale are as follows:

	As at December 31, 2012	As at December 31, 2011
Goodwill	101 573	—
Vessels	8 297	40 886
Buildings	304	12 311
Harbor equipment	57 478	—
Other intangible assets	61 576	—
Other tangible assets	6 394	—
Financial assets	101 820	3 233
Investments in associates and joint ventures	199 526	—
Securities	4 696	—
Cash and cash equivalents	26 435	—
Deffered tax	19 439	—
Working capital	22 597	—
Assets classified as held-for-sale	**610 135**	**56 430**

	As at December 31, 2012	As at December 31, 2011
Financial debt	166 657	21 982
Provisions	22 022	6 275
Other liabilities	25 914	1 015
Liabilities associated to assets classified as held-for-sale	**214 593**	**29 272**

As at December 31, 2011, assets held for sale and associated liabilities relates to one 5,800 TEU vessel sold for USD 41 million in January 2012 and a building located in the U.S. which has not been sold and is now presented within property and equipment as the plan to dispose has been cancelled. Included in "Liabilities associated with assets held for sale" are USD 29 million corresponding to the financial debt of the vessel which has been repaid.

As at December 31, 2012, held for sale and associated liabilities relates to:

- 1 vessel which has been damaged during dry-dock operations and which will be scrapped. The recoverable value amounting to USD 5 million corresponds to the insured value of the vessel. An impairment charge has been recorded for USD 5 million;
- 1 vessel which will be sold for an amount of USD 3 million for which an impairment charge has been recognized for USD 6 million, representing the difference between the expected sale price and the carrying value. A financial debt of USD 1,5 million related to this vessel has been reclassified in liabilities associated to assets held-for-sale; and
- assets and liabilities of the Company following the binding agreement entered into with CMHI, in relation to the disposal of a 49% stake in a portfolio of ports operated by one of the Company's subsidiaries, Terminal Link.

The transaction with CMHI will result in the loss of control of the Company over Terminal Link and, as a consequence, all assets and liabilities of Terminal Link's subsidiaries previously controlled by the Company which were fully consolidated have been reclassified to assets held-for-sale and associated liabilities representing a net asset of USD 189 million. In addition, the investments in associates corresponding to the non-consolidated subsidiaries of Terminal Link disposed of as part of the transaction (49%), have also been reclassified to assets held-for-sale for USD 200 million. Since October 2012, the date at which the assets and liabilities and the investment in associates have been reclassified to assets held for sale, no depreciation expense, amortization expense or share of profit and loss of associates related to these assets have been recorded by the Company.

The transaction is expected to be finalized in the second quarter of 2013 and the Company should receive an amount of EUR 400 million in cash.

29. Share capital and other reserves

The share capital is fully constituted of ordinary shares with the exception of one preference share held by Yildirim.

In 2011, the Company issued bonds mandatorily redeemable in the Company's preferred shares. In 2018, the preferred shares will automatically be converted into common shares of the Company.

No other share option plans or dilutive equity instruments have been issued in the year. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

Other reserves break down as follows:

	Year ended December 31, 2012	Year ended December 31, 2011
Cash flow hedge	(94 257)	(82 598)
Gains on property revaluation	(0)	(0)
Actuarial gains (losses) on defined benefit pension plans	(15 933)	(7 307)
Available-for-sale financial assets	(1 052)	(1 052)
Share of other comprehensive income of associates	(3 514)	(2 540)
Deferred tax on reserve	12 340	13 595
Other reserves	**(102 417)**	**(79 902)**

30. Financial debts

Financial debts are presented below and include bank overdrafts, long-term bank borrowings, finance leases and similar arrangements and have the following maturities:

	As at December 31, 2012	Reimbursement date : December 31,					
		2013	2014	2015	2016	2017	Onwards
Senior Note	**920 792**	160 538	—	—	—	391 140	369 114
Redeemable Bonds	**221 622**	33 615	37 973	42 803	48 208	54 379	4 644
Bank debt	**2 436 472**	2 182 444	28 435	25 325	25 195	21 730	153 343
Obligations under finance leases	**1 320 250**	988 340	60 036	58 754	35 548	132 787	44 785
Bank overdrafts	**45 308**	45 308	—	—	—	—	—
Other financial debts	**618 707**	536 025	60 508	14 374	471	623	6 706
Total	**5 563 151**	**3 946 270**	**186 952**	**141 256**	**109 422**	**600 659**	**578 592**

The table above is significantly impacted by the breach of financial covenants as presented in Note 3. Such breach has been waived before the approval of these annual consolidated financial statements and a proforma table is presented in Note 3 as if the waiver was obtained pre year end.

Variations in financial debts can be analyzed as follows:

	Senior Note	Redeemable Bonds	Bank debt	Obligation under finance lease	Bank Overdrafts	Other Financial debt	Total
Balance as at January 1, 2012	**934 653**	**251 403**	**2 650 741**	**1 420 855**	**146 900**	**703 342**	**6 107 894**
Proceeds from new financial debt, net of issuance costs	—	—	34 765	172 532	—	67 365	274 662
Vendor loans from shipyards	—	—	—	—	—	28 000	28 000
Repayment of financial indebtedness, net of proceeds from refinancing	(25 491)	(30 359)	(268 786)	(44 698)	(93 176)	(62 777)	(525 286)
Principal repayments on obligations under finance leases	—	—	—	(208 479)	—	—	(208 479)
Accrued interests	3 950	578	6 673	12 552	—	(8 639)	15 114
Refinancing of assets	—	—	36 884	(36 884)	—	—	—
Reclassification to liabilities associated with assets held for sale—Terminals	—	—	(44 091)	—	—	(121 066)	(165 157)
Reclassification to liabilities associated with assets held for sale—Vessels	—	—	(1 500)	—	—	—	(1 500)
Reclassification from / to other liabilities	—	—	5 822	—	(8 672)	712	(2 138)
Acquisition (disposal) of subsidiaries	—	—	—	6	—	—	6
Foreign currency translation adjustments	7 680	—	15 964	4 366	256	11 770	40 035
Balance as at December 31, 2012	**920 792**	**221 622**	**2 436 472**	**1 320 250**	**45 308**	**618 707**	**5 563 151**

Financial debts and related interest rates have the following characteristics:

Financing	Senior Note	Redeemables Bonds	Bank Debt	Obligations under finance leases	Other financial debt and overdrafts	Interest rates (Average)
Vessels	130 983	—	1 261 404	1 149 643	172 000	5,22%
Containers	—	—	233 724	144 232	—	4,56%
Land and buildings	—	—	256 479	12 021	—	1,63%
Handling	—	—	751	13 529	—	4,75%
Other tangible assets	—	—	40 724	824	—	6,77%
Other	789 809	221 622	643 390	—	492 015	6,31%
Total	**920 792**	**221 622**	**2 436 472**	**1 320 250**	**664 015**	

Financial cash-flows on debts including repayments of principal and financial interest have the following maturities. As required by IFRS 7, these cash-flows are not discounted:

	As at December 31, 2012	Reimbursement date : December 31,					
		2013	2014	2015	2016	2017	Onwards
Senior Note	**1 387 086**	135 891	102 890	101 086	99 283	513 715	434 221
Redeemable Bonds	**304 685**	60 000	60 000	60 000	60 000	60 000	4 685
Bank debt	**2 839 840**	712 047	393 236	375 766	244 571	245 866	868 354
Obligations under finance leases	**1 671 883**	255 486	238 532	400 577	308 611	323 122	145 555
Bank overdrafts	**47 141**	47 141	—	—	—	—	—
Other financial debts	**597 564**	132 914	438 557	15 898	958	1 011	8 226
Total	**6 848 199**	**1 343 479**	**1 233 215**	**953 327**	**713 423**	**1 143 714**	**1 461 041**

The maturities presented above have been presented taking into account the post balance sheet debt restructuring (see Note 3 and Note 35).

31. Provisions and retirement benefit obligations

Provisions are analyzed as follows:

	Employee benefits	Litigation	Other risks and obligations	Total	*of which current portion*
As at January 1, 2011 (*)	**112 082**	**68 038**	**106 638**	**286 758**	***96 338***
Additions for the year	15 022	37 520	10 351	**62 893**	
Reversals during the year (unused)	13	(31 381)	(21 404)	**(52 772)**	
Reversals during the year (used)	(10 976)	(8 875)	(42 723)	**(62 574)**	
Acquisition (disposal) of subsidiaries	2 626	1 941	—	**4 567**	
Reclassification to / from other liabilities	96	(1 053)	2 370	**1 413**	
Actuarial gain / loss recognized in the OCI	13 252	—	—	**13 252**	
Foreign currency translation adjustment	(3 288)	(156)	(772)	**(4 216)**	
As at December 31, 2011 (*)	**128 827**	**66 033**	**54 461**	**249 321**	***21 336***
Additions for the period	10 582	45 276	6 969	**62 827**	
Reversals during the period (unused)	(215)	(1 170)	(602)	**(1 987)**	
Reversals during the period (used)	(14 108)	(28 044)	(7 981)	**(50 133)**	
Reclassification of liabilities associated to assets held for sale	(16 404)	—	(5 618)	**(22 022)**	
Reclassification to other financial assets (see Note 21)	—	—	(32 050)	**(32 050)**	
Reclassification to / from other liabilities	1 807	(383)	(922)	**502**	
Actuarial gain / loss recognized in the OCI	8 653	—	—	**8 653**	
Foreign currency translation adjustment	954	243	211	**1 408**	
As at December 31, 2012	**120 096**	**81 956**	**14 467**	**216 519**	***14 799***

(*) Restated to reflect the presentation of certain activities as discontinued operations and the early adoption of IAS 19 Revised (note 2.2)

Litigations

Except for a provision of USD 25 million related to a litigation with a ship-owner for the construction of 3 vessels, litigations principally include cargo related and other claims incurred in the normal course of business.

Other risks and obligations

Other risks and obligations no longer include risks related to vessel order cancellations as presented in Note 3 (USD 32,050 thousand in 2011).

Employee benefits

The sharp decrease in Euro zone interest rates led to reduce discount rates used to evaluate the Company's liability regarding pension and employee benefits. Consequently, the Company has recorded a loss of USD 8,653 thousand in other comprehensive income.

Amounts in the balance sheet are as follows:

	As at December 31, 2012	**As at December 31, 2011**
Liabilities	(147 629)	(149 608)
Assets	27 533	20 781
Net liability	**(120 096)**	**(128 827)**

The amounts recognized in the balance sheet are determined as follows:

	As at December 31, 2012	**As at December 31, 2011**
Present value of unfunded obligations	(111 430)	(122 597)
Present value of funded obligations	(36 199)	(27 010)
Fair value of plan assets	27 533	20 781
Net present value of obligations	**(120 096)**	**(128 826)**

Variations in the defined benefit obligations over the year are as follows:

	As at December 31, 2012	**As at December 31, 2011**
Beginning of year	**149 607**	**132 733**
Plan amendment—past service cost	(9 135)	4 839
Service cost	10 240	6 707
Interest cost	6 079	5 676
Actuarial losses/(gains)	16 382	14 083
Benefits paid	(13 076)	(9 584)
Employee contributions	281	311
Expenses Paid	(177)	(181)
Taxes paid	(96)	(87)
Premiums paid	(38)	73
Reclassification of liabilities associated to assets held for sale	(16 404)	—
Acquisition / disposal of subsidiaries and other	1 124	2 402
Plan curtailments	1 173	(3 391)
Exchange differences	1 669	(3 974)
End of year	**147 629**	**149 607**

Plan assets relate exclusively to the pension plan implemented for Group employees in Australia. They vary as follows:

	As at December 31, 2012	As at December 31, 2011
Beginning of year	**20 781**	**20 170**
Expected return on plan assets	834	922
Actuarial (losses)/gains	4 307	(1 659)
Benefits paid	(12 076)	(8 040)
Employer contributions	13 000	9 772
Employee contributions	281	311
Expenses Paid	(177)	(181)
Taxes paid	(96)	(87)
Premiums paid	(38)	(73)
Acquisition of subsidiaries and other	—	—
Exchange differences	717	(354)
End of the year	**27 533**	**20 781**

The accumulated actuarial gain recognized in other comprehensive income amounts to USD (16,374) thousand as at December 31, 2012 (accumulated actuarial gain of USD (7,722) thousand as at December 31, 2011).

The amounts recognized in the income statement are as follows:

	As at December 31, 2012	As at December 31, 2011
Current service cost excluding taxes, expenses, employees contributions and premiums	10 240	6 482
Employee contributions	(281)	(311)
Expenses paid	177	181
Taxes paid	96	87
Premiums paid	38	73
Past service cost / curtailment	(9 047)	1 263
Non routine settlements	692	2
Total service cost	**1 915**	**7 777**
Interest cost	6 079	5 676
Expected return on plan assets	(834)	(922)
Total net interests	**5 245**	**4 754**
Remeasurements of long term benefits	3 422	2 491
Benefit expense recognized in the income statement	**10 582**	**15 022**
Remeasurements (recognized in other comprehensive income)	8 653	13 251
Total defined benefit cost recognized in P&L and OCI	**19 235**	**28 273**

The Group contributed USD 7,725 thousand to its defined contribution plans in 2012 (USD 7,182 thousand in 2011). The Group expects to contribute USD 10,208 thousand to its defined benefit pension plans in 2013.

In 2012, the Company decided to subscribe to the A.M.O. (Compulsory public medical Insurance in Morocco) and opened the retirees rights to A.M.O.. Consequently, a significant portion of the Company's obligation has been transferred to A.M.O. and, as a consequence, a reversal of the liability has been recognized as a reduction of the benefit expense amounting to USD 9 million.

The defined benefit obligation, the plan assets and the accumulated actuarial gains and losses for the current year and previous four periods are as follows:

	Defined Benefit Obligation	Plan Assets	Funded Status	Actuarial (Gains) and Losses On Defined Benefit Obligation	Actuarial (Gains) and Losses On Plan Assets
As at December 31, 2007	100 770	16 296	(84 474)	(5 006)	1 085
As at December 31, 2008	110 249	11 821	(98 427)	(9 348)	(5 386)
As at December 31, 2009	125 044	16 817	(108 227)	1 855	(180)
As at December 31, 2010	132 508	20 170	(112 338)	4 825	581
As at December 31, 2011	149 607	20 781	(128 826)	14 083	(1 659)
As at December 31, 2012	147 629	27 533	(120 096)	16 382	4 307

The actuarial assumptions used for the principal countries representing a significant proportion of obligations were as follows:

	As at December 31, 2012			As at December 31, 2011		
	Euro Zone	Morocco	Australia	Euro Zone	Morocco	Australia
Discount rate	3,04%	4,50%	2,77%	4,78%	4,50%	3,61%
Future salary increase	3,02%	2,50%	4,00%	2,90%	2,50%	4,00%
Long-term growth rate	2,00%	2,00%	n.a.	2,00%	2,00%	n.a.

32. Commitments

32.1 Commitments on vessels and containers

Vessels and containers operated under time charters which qualify as operating leases

As at December 31, 2012 the Company operates 330 vessels under time charters (303 as at December 31, 2011).

The due dates of leases payable for vessels delivered or to be delivered under time charters at the balance sheet date can be analysed as follows:

	Total	Less 1 year	1 to 5 years	6 to 10 years	Over 10 years
Vessels under time charts payments as of December 31, 2012—not discounted	**5 091 684**	670 636	2 628 021	1 524 431	268 596
Vessels under time charts payments as of December 31, 2012—discounted	**3 288 198**	613 012	1 875 715	714 110	85 360
Vessels under time charts payments as of December 31, 2011—not discounted	**4 645 669**	737 979	2 452 635	1 362 499	92 557
Vessels under time charts payments as of December 31, 2011—discounted	**3 151 636**	677 045	1 787 150	655 636	31 805

The amounts payable to ship-owners presented above only correspond to the equivalent bareboat charter payable and do not include running costs. Time charts are composed of a bareboat and a running cost component. Running costs which typically include crew and technical maintenance approximate 19% of the total charter commitments as they relate to large vessels with relatively low running costs compared to the capital cost. Running costs currently account for approximately 50% of the Group's chartering expenses as the fleet under charter is composed of different sizes of vessels.

At balance sheet date, the Company is committed to pay time charts in relation to ten 9,200 TEU vessels to be delivered in 2014. Such commitments are included in the table above and amount to USD 588 million on a discounted basis (and USD 1,153 million on an undiscounted basis).

This table includes commitments to Global Ship Lease Inc., a related party, for an undiscounted amount of USD 749 million as at December 31, 2012 (USD 880 million as at December 31, 2011).

In certain cases, the Group may benefit from non-bargain purchase options to acquire the vessel at the end of the lease term.

The due dates of the container operating leases held at the balance sheet date can be analyzed as follows:

	Total	Less 1 year	1 to 5 years	6 to 10 years	Over 10 years
Containers under time charts payments as of December 31, 2012	**1 773 019**	411 931	1 099 560	254 738	6 790
Containers under time charts payments as of December 31, 2011	**2 283 097**	434 972	1 257 345	553 403	37 376

This table includes commitments to Investment and Financing Corp. Ltd., a related party, amounting to USD 161,240 million as at December 31, 2012.

The total amount of operating lease payments related to the vessels and containers was USD 1,994 million in 2012 (USD 1,985 million in 2011).

Commitments related to ordered vessels

As at December 31, 2012, 2 vessels were under construction at different shipyards (6 as at December 31, 2011). The delivery of these vessels is scheduled for 2013. The contractual commitments related to the construction of these vessels can be analyzed as follows (in USD million):

	As at December 31, 2012	As at December 31, 2011
Orders under discussion with shipyards		
—units	11	8
—Remaining commitments, net of prepayments	758	567
Confirmed orderbook		
—units	2	6
—Remaining commitments, net of prepayments	294	638
of which payable in:		
2012	—	*157*
2013	*294*	*339*
2014	—	*142*
Total	**294**	**638**

For the purpose of a proper understanding of the table above:

- 3 vessels, for which total prepayments amount to 104 M$, are considered as orders under discussion with shipyards as at December 31, 2012 (presented within the confirmed orderbook as at December 31, 2011) ; Management is in negotiation with the shipyard (i) to obtain cancellation of these orders as they relate to vessels that no longer meet the Company's operating needs and (ii) replace new orders for vessels more suitable in the current shipping environment (design and specifications are still to be defined);
- 3 orders subject to litigation with a ship-owner described in Note 31 are not included in the table.

As at the date of the approval of these annual consolidated financial statements, the Company has committed financings related to the 2 vessels to be delivered in 2013 amounting to USD 229 million.

The refund guarantees received from shipyard's banks insuring that the Company will recover its prepayments in case an issue arises during the construction phase amounts to USD 171 million as at December 31, 2012 for 2 units (USD 551 million as at December 31, 2011 for 6 units).

32.2 Commitments relating to concession fees

The Company carries out certain stevedoring activities under long-term concession arrangements with governmental bodies. Future minimum payments under these arrangements amount to USD 208,726 thousand as at December 31, 2012.

32.3 Other Financial Commitments

Other financial commitments primarily relate to the following:

—Financial Commitments given

	As at December 31, 2012	As at December 31, 2011
Bank guarantees	110 449	78 957
Guarantees on terminal financing	126 404	133 134
Customs guarantees	13 895	11 732
Charter hire commitments	22 102	5 141
Port authorities and administration	5 008	3 323
Office rented guarantees	5 156	1 879
Others garanties granted for fixed assets	19 635	20 562
Mortgage on share of associates	57 200	83 384
Pledge	568 125	256 424
Other	300 667	293 070

As at December 31, 2012, the Company has transferred USD 658,684 thousand of trade receivables as collateral under a securitization program (USD 640,401 thousand as at December 31, 2011).

The Company has also granted certain put options to owners of non-controlling interests. These put options are not disclosed for confidentiality reasons and are assessed as being immaterial at the Group level.

—Financial Commitments received

	As at December 31, 2012	As at December 31, 2011
Guarantees received from independent shipping agents	1 787	1 170
Guarantees received from customers	7 686	2 554
Other financial commitments received	109 143	19 498

The Company has a right to transfer a further USD 183,397 thousand of trade receivables under the Company's securitization program.

33. Related party transactions

For the purposes of this note, the following related parties have been identified:

- Merit Corporation, incorporated in Lebanon, whose ultimate shareholders are Jacques R. Saadé and members of his immediate family, which owns approximately 97% of the share capital of the Company.
- Yildirim, incorporated in Turkey, is a Company with whom the Company finalized 2 significant transactions in 2011 regarding the issuance of bonds mandatorily redeemable in the Company's preferred shares and an agreement regarding the sale of 50% of its shareholding in Malta Freeport Terminals Limited for a cash amount of EUR 200 million (USD 289 million). Both transactions are disclosed in Note 4.
- Certain subsidiaries of Merit Corporation, including Merit SAL, a service company providing CMA CGM with cost and revenue control and internal audit support, CMA Liban, a shipping agent and Investment and Financing Corp. Ltd, a container leasing company.
- Joint ventures and associates in which CMA CGM has a stake, including:
  - CMA CGM Systems ("CCS"), a joint venture with IBM, whose object is to manage the development of business software and to provide IT support to the Group.
  - Global Ship Lease, Inc. a ship-owner listed in the U.S. currently owning a fleet of 17 vessels all time chartered to CMA CGM under agreements ranging from 1 to 14 years.

- Malta Freeport Terminals Limited (MFTL) and MFTL Holding
- INTTRA, a company whose activity is to develop e-commerce in the container shipping industry.
- Certain shipping agents: COMAG Italy, CMA CGM Korea, CMA CGM Qatar.
- Certain container terminals: Odessa Terminal HoldCo Ltd., Antwerp Gateway NV and Eurogate Tanger.

- A not for profit foundation "Fondation d'Entreprise CMA CGM" which promotes certain cultural activities.

The related party transactions can be analysed as follows:

		As at December 31, 2012	As at December 31, 2011
Operating income	***of which:***	**25 810**	**13 137**
	CS	*13 698*	*3 321*
	CMA CGM LIBAN	*3 284*	*1 502*
	COMAG	*2 871*	*2 021*
	GLOBAL SHIP LEASE	*(333)*	*(343)*
	CMA CGM QATAR	*601*	—
	MALTA FREEPORT TERMINAL LTD	*3 525*	*3 000*
	Other entities	*2 007*	*3 254*
Operating expenses	***of which:***	**(437 741)**	**(363 989)**
	CS	*(120 020)*	*(119 058)*
	GLOBAL SHIP LEASE	*(154 807)*	*(156 539)*
	INTTRA	*(11 713)*	*(14 788)*
	COMAG	*(3 245)*	*(3 273)*
	CMA CGM QATAR	*(2 296)*	—
	FONDATION ENTREPRISE CMA CGM	—	*2*
	CMA CGM LIBAN	*(4 571)*	*(810)*
	INVESTMENT & FINANCING CORP. Lt	*(26 653)*	*(23 418)*
	MERIT CORPORATION	*(2 178)*	*(2 945)*
	MALTA FREEPORT TERMINAL LTD	*(104 194)*	*(36 623)*
	CMA CGM MANAGEMENT INTL SERVI	*(5 434)*	*(3 530)*
	Other entities	*(2 643)*	*(3 001)*
Financial result	***of which:***	**2 667**	**(50 313)**
	CS	*3 426*	*2 316*
	CMA CGM LIBAN	*(70)*	*47*
	GLOBAL SHIP LEASE	*1 161*	*989*
	ODESSA Terminal Holdco Ltd	*3 598*	*1 890*
	ANTWERP GATEWAY NV	*7 797*	*193*
	CMA CGM KOREA	*1 911*	*2 106*
	MALTA FREEPORT TERMINAL LTD	*10 107*	*6 459*
	MALTA FREEPORT TERMINAL LTD HO	—	*(15 808)*
	MERIT CORPORATION	*(3 888)*	*(1 386)*
	YILDIRIM	*(30 209)*	*(30 511)*
	EUROGATE TANGER	*5 325*	—
	Other entities	*5 530*	*3 380*

The balance sheet positions corresponding to the related parties listed above are:

	Non Current assets		Current assets		Assets Held for sale	
	As at December 31, 2012	As at December 31, 2011	As at December 31, 2012	As at December 31, 2011	As at December 31, 2012	As at December 31, 2011
CS	*33 716*	*33 716*	*2 046*	—	—	—
COMAG	—	—	*4 567*	*4 573*	—	—
INTTRA	—	—	—	—	—	—
MERIT CORPORATION	—	*3 467*	*31*	—	—	—
CMA CGM LIBAN	*40*	—	*12 186*	*9 713*	—	—
FONDATION ENTREPRISE CMA CGM	—	—	*19*	*2*	—	—
GEMARTRANS	—	—	*1 913*	*1 913*	—	—
ODESSA Terminal Holdco Ltd	*43 760*	*44 214*	*11 232*	*7 181*	—	—
ANTWERP GATEWAY NV	—	*13 392*	—	*415*	*14 569*	—
GLOBAL SHIP LEASE	*65 023*	*70 170*	*64*	*1 842*	—	—
CONTAINER HANDLING ZEEBRUGGE NV	—	*7 589*	—	—	*7 676*	—
GEOCOTON HOLDING SAS	—	—	—	—	—	—
*COMPAGNIE DU PONANT **		*204 432*		—		—
MALTA FREEPORT TERMINAL LTD	—	*51 700*	*30 741*	*40 717*	*48 635*	—
MALTA FREEPORT TERMINAL LTD HOLDING	—	*903*	—	—		—
YILDIRIM	—	—	—	—	—	—
TERMINAL LINK STP	*2 975*	—	*232*	—	—	—
CMA CGM JORDAN	—	—	*3 217*	—	—	—
Other entites	*763*	*8 314*	*4 041*	*5 487*	*5 204*	—
Total balance sheet positions	**146 277**	**437 896**	**70 289**	**71 842**	**76 084**	**—**

* *Entity sold during 2012 period*

Included in current liabilities are the dividends declared and not yet paid to Merit amounting to USD 56 million. This amount due

Included in employee benefits are the key management compensations for a total amount of USD 2,933 thousand as at D
December 31, 2011).

34. Scope of consolidation

As at December 31, 2012, the scope of consolidation comprises 240 companies or sub-groups. Subsidiaries included in the scope of consolidation are disclosed in the table below:

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM SA (parent company)	*France*		
SHIPPING ACTIVITY			
ACOMAR	*Morocco*	99,50%	Full
ANL CONTAINER LINE LTD	*Australia*	100,00%	Full
ANL SINGAPORE	*Australia*	100,00%	Full
ATLANTIC II	*France*	100,00%	Full
ATLAS NAVIGATION	*Morocco*	99,50%	Full
CHENG LIE NAVIGATION CO, LTD	*Taiwan*	99,08%	Full
CMA CGM ANTILLES GUYANE	*France*	100,00%	Full
CMA CGM INTERNATIONAL SHIPPING PTE. LTD	*Singapore*	100,00%	Full
CMA CGM LIBYA	*Libya*	79,84%	Full
CMA CGM SHIPS	*Morocco*	99,72%	Full
CMA CGM UK SHIPPING	*United Kingdom*	99,82%	Full
CMA SHIPS SAS	*France*	100,00%	Full
CNC LINE LTD	*Taiwan*	99,08%	Full
COMANAV	*Morocco*	99,50%	Full
DELMAS (UK) LTD	*United Kingdom*	100,00%	Full
DELMAS SHIPPING SOUTH AFRICA	*South Africa*	100,00%	Full
DEXTRAMAR	*Morocco*	99,72%	Full
KAILAS MARINE	*France*	100,00%	Full
MACANDREWS LTD	*United Kingdom*	99,82%	Full
MARBAR MARITIME	*Morocco*	99,50%	Full
PT CONTAINER SHIPPING INDONESIA	*Indonesia*	100,00%	Full
SNC ALIZE 1954	*France*	100,00%	Full
SNC ALIZE 1955	*France*	100,00%	Full
SNC ALIZE 1956	*France*	100,00%	Full
SNC ALIZE 1957	*France*	100,00%	Full
SNC ALIZE 1992	*France*	100,00%	Full
SNC ALIZE 1993	*France*	100,00%	Full
SNC ALIZE 1994	*France*	100,00%	Full
SNC ALIZE 1995	*France*	100,00%	Full
SNC ALIZE 1996	*France*	100,00%	Full
SNC ALIZE 1997	*France*	100,00%	Full
SNC ALIZE 1998	*France*	100,00%	Full
SNC ALIZE 1999	*France*	100,00%	Full
SPV PROVENCE SHIPOWNER 2007-1	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2007-2	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2007-3	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2007-4	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2007-5	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2007-6	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2008-1	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2008-2	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2008-3	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2008-4	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2008-5	*Ireland*	100,00%	Full
SPV PROVENCE SHIPOWNER 2008-6	*Ireland*	100,00%	Full
VEGA Container Vessel 2006-1 Plc Ltd co	*Ireland*	100,00%	Full
AGENCIES			
AFRICAN AGENCY	*France*	50,50%	Full
ANL EUROPE BV	*Netherlands*	51,00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CAGEMA LIMITED	*Carribean*	100,00%	Full
CCK UKRAINE	*Ukrainia*	54,89%	Full
CMA CGM ABU DHABI	*United Arab Emirates*	64,87%	Full
CMA CGM AGENCES France	*France*	99,70%	Full
CMA CGM AGENCIES INDIA Pvt Ltd	*India*	69,86%	Full
CMA CGM AGENCY AG (SUISSE)	*Switzerland*	99,80%	Full
CMA CGM ALGERIE	*Algeria*	79,84%	Full
CMA CGM AMERICA LLC	*USA*	99,80%	Full
CMA CGM AND ANL HONG KONG	*Hong Kong*	99,80%	Full
CMA CGM AND ANL MALAYSIA SDN BHD	*Malaysia*	99,80%	Full
CMA CGM AND ANL SINGAPORE	*Singapore*	99,80%	Full
CMA CGM AND ANL TAIWAN LTD	*Taiwan*	99,80%	Full
CMA CGM ANL (New Zealand) Ltd	*New Zealand*	99,80%	Full
CMA CGM ANL DUBAI	*Dubai*	59,88%	Full
CMA CGM ARGENTINA SA	*Argentina*	74,85%	Full
CMA CGM AUSTRALIA	*Australia*	99,80%	Full
CMA CGM BELGIUM	*Belgium*	99,97%	Full
CMA CGM BOLIVIA	*Bolivia*	69,86%	Full
CMA CGM BRAZIL	*Brazil*	99,80%	Full
CMA CGM CANADA	*Canada*	99,80%	Full
CMA CGM CENTRAL ASIA	*Kazakhstan*	59,88%	Full
CMA CGM CHILE SA	*Chile*	99,80%	Full
CMA CGM CHINA	*China*	100,00%	Full
CMA CGM COLOMBIA	*Colombia*	50,90%	Full
CMA CGM CROATIA	*Croatia*	99,80%	Full
CMA CGM DELMAS NIGERIA	*Nigeria*	66,61%	Full
CMA CGM DEUTSCHLAND	*Germany*	99,80%	Full
CMA CGM EAST AND SOUTH INDIA	*India*	99,80%	Full
CMA CGM ECUADOR	*Ecuador*	99,70%	Full
CMA CGM EGYPT	*Egypt*	99,91%	Full
CMA CGM ESTONIA LTD	*Estonia*	99,80%	Full
CMA CGM FINLAND	*Finland*	99,80%	Full
CMA CGM GLOBAL INDIA	*India*	50,90%	Full
CMA CGM GREECE	*Greece*	54,89%	Full
CMA CGM HOLLAND BV (Netherlands)	*Netherlands*	99,80%	Full
CMA CGM HUNGARY	*Hungary*	99,80%	Full
CMA CGM IBERICA	*Spain*	99,80%	Full
CMA CGM IRELAND	*Ireland*	66,94%	Full
CMA CGM ITALY	*Italy*	98,80%	Full
CMA CGM JAMAICA LTD	*Jamaica*	99,80%	Full
CMA CGM JAPAN	*Japan*	74,85%	Full
CMA CGM KENYA	*Kenya*	64,87%	Full
CMA CGM LATVIA Ltd	*Latvia*	99,80%	Full
CMA CGM MADAGASCAR	*Madagascar*	99,80%	Full
CMA CGM MALAYSIA SDN BHD	*Malaysia*	99,80%	Full
CMA CGM MAROC	*Morocco*	79,73%	Full
CMA CGM MEXICO	*Mexico*	99,80%	Full
CMA CGM MOZAMBIQUE	*Mozambique*	64,87%	Full
CMA CGM NOUMEA	*Noumea*	99,80%	Full
CMA CGM PAKISTAN (PVT) LTD	*Pakistan*	59,88%	Full
CMA CGM PANAMA	*Panama*	59,88%	Full
CMA CGM PAPEETE	*Papeete*	99,80%	Full
CMA CGM PERU SA	*Peru*	99,80%	Full
CMA CGM PORT SAID NAVIGATION	*Egypt*	99,80%	Full
CMA CGM PORTUGAL	*Portugal*	59,88%	Full
CMA CGM REUNION	*Reunion*	74,85%	Full

The accompanying notes are part of these annual consolidated financial statements

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM ROMANIA	*Romania*	50,90%	Full
CMA CGM RUSSIA	*Russia*	99,80%	Full
CMA CGM SCANDINAVIA—AS Norway	*Norway*	99,80%	Full
CMA CGM SCANDINAVIA AS—Danmark	*Denmark*	99,80%	Full
CMA CGM SCANDINAVIA AS—Sverige	*Sweden*	99,80%	Full
CMA CGM SERBIA	*Serbia*	99,80%	Full
CMA CGM SHIPPING AGENCIES UKRAINE	*Ukrainia*	99,80%	Full
CMA CGM SLOVENIA	*Slovenia*	99,80%	Full
CMA CGM ST MARTEEN	*St Marteen*	50,90%	Full
CMA CGM STH AFRICA	*South Africa*	99,80%	Full
CMA CGM SUDAN	*Sudan*	99,80%	Full
CMA CGM TRINIDAD	*Trinidad*	59,88%	Full
CMA CGM TURKEY	*Turkey*	94,61%	Full
CMA CGM URUGUAY	*Uruguay*	54,89%	Full
CMA CGM VENEZUELA	*Venezuela*	59,88%	Full
COMARINE	*Morocco*	89,84%	Full
COMPAGNIE GENERALE DE L'ATLANTIQUE	*France*	100,00%	Full
DELMAS BENIN	*Benin*	50,90%	Full
DELMAS CAMEROUN	*Cameroun*	50,90%	Full
DELMAS CHINA SHIPPING CO LTD	*China*	100,00%	Full
DELMAS CONGO	*Congo*	50,70%	Full
DELMAS COTE D'IVOIRE	*Ivory Coast*	64,87%	Full
DELMAS GABON	*Gabon*	50,70%	Full
DELMAS GHANA	*Ghana*	63,77%	Full
DELMAS HONG KONG LTD	*Hong Kong*	100,00%	Full
DELMAS RDC	*Congo*	50,90%	Full
DELMAS REUNION	*Reunion*	74,85%	Full
DELMAS SENEGAL	*Senegal*	50,80%	Full
DELMAS TOGO	*Togo*	50,70%	Full
DEXTRA MAGHREB	*Morocco*	99,49%	Full
France MARITIME AGENCY	*Mauritius*	99,80%	Full
JAKARTA LLOYD AUSTRALIA PTE LDT	*Australia*	100,00%	Full
MAC ANDREWS NETHERLANDS BV	*Netherlands*	99,82%	Full
MAC ANDREWS SA (Spain)	*Spain*	99,82%	Full
POLISH UNITED BALTIC CORPORATION	*Poland*	99,80%	Full
SOMARIG	*French Guyanna*	100,00%	Full
SUDCARGOS ALGERIE SPA	*Algeria*	51,70%	Full
UAB CMA CGM SHIPPING AGENCY PLLC (Lituania)	*Lithuania*	99,80%	Full
HANDLING ACTIVITY			
ALTERCO	*Algeria*	58,98%	Full
CGA AND CIE SAS	*France*	100,00%	Full
GMG	*Guadeloupe*	100,00%	Full
GMM	*Martinique*	100,00%	Full
INTRAMAR SA	*France*	100,00%	Full
INTRAMAR STS	*France*	100,00%	Full
LATTAKIA INT. CONT. TERMINAL LLC	*Syria*	51,00%	Full
MANUCO	*Morocco*	99,50%	Full
SOMAPORT	*Morocco*	99,50%	Full
TERMINAL DES FLANDRES	*France*	91,00%	Full
TERMINAL LINK BAYPORT LLC	*USA*	100,00%	Full
INITIAL SUN LTD	*Hong Kong*	100,00%	Full
TERMINAL LINK HOUSTON STEEVEDORING INC	*USA*	100,00%	Full
TERMINAL LINK MIAMI	*USA*	100,00%	Full

The accompanying notes are part of these annual consolidated financial statements

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
TERMINAL LINK TEXAS LLC	*USA*	51,00%	Full
TERMINAL LINK VIETNAM	*Vietnam*	100,00%	Full
UDEMAC	*Morocco*	94,67%	Full
CONTAINERS (MAINTENANCE & REPAIRS) ACTIVITY			
ANL CONTAINER HIRE AND SALES PTY LTD	*Australia*	51,00%	Full
ANL CONTAINER PARK PTY LTD	*Australia*	100,00%	Full
PROGECO BELGIUM NV	*Belgium*	100,00%	Full
PROGECO DEUTSCHLAND GMBH	*Germany*	100,00%	Full
PROGECO DO BRAZIL	*Brazil*	99,80%	Full
PROGECO France	*France*	100,00%	Full
PROGECO HOLLAND BV	*Netherlands*	100,00%	Full
LOGISTICS & SUPPLY CHAIN ACTIVITY			
ANL LOGISTICS PTY LTD	*Australia*	100,00%	Full
CMA CGM CHINA LOGISTICS CO, LTD	*China*	100,00%	Full
CMA CGM LOGISTICS AMERICA	*USA*	100,00%	Full
CMA CGM LOGISTICS (Asia) LTD	*Hong Kong*	100,00%	Full
CMA CGM LOGISTICS (EGYPT)	*Egypt*	99,93%	Full
CMA CGM LOGISTICS (France)	*France*	100,00%	Full
CMA CGM LOGISTICS N.V (Belgium)	*Belgium*	100,00%	Full
LAND TRANSPORT INTERNATIONAL France	*France*	100,00%	Full
TCX MULTIMODAL LOGISTICS	*France*	100,00%	Full
BARGING ACTIVITY			
RIVER SHUTTLE CONTAINER	*France*	100,00%	Full
RAIL ACTIVITY			
GREENMODAL TRANSPORT	*France*	100,00%	Full
RAIL LINK EUROPE	*France*	100,00%	Full
REAL ESTATE ACTIVITY			
CMA CGM HOLLAND PYRAMIDS BV	*Netherlands*	100,00%	Full
CMA CGM IMMO SCI	*France*	100,00%	Full
CMA CGM PYRAMIDES France	*France*	100,00%	Full
CC KASSIOPEE	*France*	100,00%	Full
CMA CGM PYRAMIDS EGYPT	*Egypt*	100,00%	Full
CMA CGM PYRAMIDS Malaysia	*Malaysia*	100,00%	Full
CMA CGM PYRAMIDS Norfolk	*USA*	100,00%	Full
CMA CGM PYRAMIDS UKRAINE	*Ukrainia*	100,00%	Full
CMA CGM PYRAMIDS USA LLC	*USA*	100,00%	Full
PT PYRAMIDES Indonesia	*Indonesia*	98,50%	Full
PYRAMIDS TURKEY	*Turkey*	99,80%	Full
SCI 408 PRADO	*France*	100,00%	Full
SCI Tour D'Arenc	*France*	100,00%	Full
SPA CMA CGM Construction	*Algeria*	99,94%	Full
TOURISM ACTIVITY			
MAC ANDREWS NAVEGACAO & TRANSITOS	*Portugal*	99,82%	Full
MAC ANDREWS TOUR SA	*Spain*	99,82%	Full
SYTRAV	*France*	100,00%	Full
THE TRAVELLER S CLUB	*France*	100,00%	Full
INSURANCE			
ARB INTERNATIONAL HOLDINGS LTD	*United Kingdom*	100,00%	Full
ARB INTERNATIONAL LIMITED	*United Kingdom*	100,00%	Full

The accompanying notes are part of these annual consolidated financial statements

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
FINANCIAL HOLDING			
CMA CGM HOLDING AND CO SAS	*France*	100,00%	Full
CMA CGM HOLDING BV (Netherlands)	*Netherlands*	99,80%	Full
CMA CGM OVERSEAS (Taiwan) INVESTMENT LTD	*Taiwan*	99,80%	Full
CMA CGM OVERSEAS INVESTMENT Holland BV	*Netherlands*	99,80%	Full
CMA CGM PARTICIPATIONS	*France*	100,00%	Full
CMA CGM UK HOLDING	*United Kingdom*	99,82%	Full
CMA CGM WORLD WIDE	*France*	99,80%	Full
COMPAGNIE MARITIME FINANCIERE (Ships)	*France*	100,00%	Full
LAND TRANSPORT INTERNATIONAL	*France*	95,00%	Full
TERMINAL LINK SA	*France*	100,00%	Full
TERMINAL LINK USA INC	*USA*	100,00%	Full
OTHER ACTIVITIES			
CMA CGM CARIBBEAN INC.	*Carribean*	100,00%	Full
CMA CGM DO BRASIL NAVEGACAO LTDA	*Brazil*	99,80%	Full
CMA CGM GLOBAL AGENCY Pte Ltd	*Singapore*	69,86%	Full
CMA SHIPS UK	*United Kingdom*	100,00%	Full
CMA SKY LINK	*United Kingdom*	100,00%	Full
PORT SERVICES AGENCY	*Malaysia*	69,86%	Full
Associates and joint ventures are disclosed in the table below			
AMEYA LOGISTICS PRIVATE LTD	*India*	50,00%	Equity method
BROOKLYN KIEV PORT LTD	*Ukrainia*	50,00%	Equity method
CMA CGM JORDAN	*Jordania*	49,90%	Equity method
CMA CGM BANGLADESH SHIPPING LTD	*Bangladesh*	48,90%	Equity method
CMA CGM KOREA	*Korea*	49,90%	Equity method
CMA CGM KUWAIT	*Kuwait*	48,90%	Equity method
CMA CGM LANKA	*Sri Lanka*	39,90%	Equity method
CMA CGM QATAR	*Qatar*	39,92%	Equity method
CMA CGM TUNISIA	*Tunisia*	48,90%	Equity method
CMA SYSTEMS	*France*	50,00%	Equity method
COMAG ITALY	*Italy*	49,00%	Equity method
CONTAINER HANDLING ZEEBRUGE	*Belgium*	35,00%	Equity method
GEMALINK	*Vietnam*	25,00%	Equity method
GEMARTRANS	*Vietnam*	49,00%	Equity method
GLOBAL SHIP LEASE	*USA*	44,72%	Equity method
INTERRAF	*Ukrainia*	45,00%	Equity method
MALTA FREEPORT TERMINAL LTD.	*Malta*	50,00%	Equity method
MFTL HOLDING	*Malta*	50,00%	Equity method
OSCO	*Ukrainia*	46,80%	Equity method
OTHL	*Cyprus*	50,00%	Equity method
PORTSYNERGY SAS	*France*	50,00%	Equity method
SFCT (South Florida Container Terminal)	*USA*	51,00%	Equity method
TERMINAL DU GRAND OUEST—TGO	*France*	50,00%	Equity method
XIAMEN HXCT	*China*	20,00%	Equity method

The accompanying notes are part of these annual consolidated financial statements

35. Post balance sheet events

Terminal Link disposal

On January 25, 2013, the Company entered into an agreement involving the acquisition by CMHI, the largest public port operator in China, of a 49% stake in a portfolio of ports operated by one of the Company's subsidiaries, Terminal Link. The finalization of this agreement is expected to occur in the second quarter of 2013.

Investment of Yildirim and FSI and finalization of the debt restructuring

At the date of the approval of these annual consolidated financial statements, the Company completed the implementation of its financial restructuring:

- On January 31, 2013, Yildirim Group, an equity holder of the Company, subscribed to new bonds mandatorily redeemable in shares for an amount of USD 100 million giving right to a 4% stake in CMA CGM upon conversion. These bonds bear interest at 12% per annum payable in cash.
- On February 6, 2013, the French Fonds Stratégique d'Investissement (FSI) agreed to subscribe to new bonds mandatorily redeemable in shares for an amount of USD 150 million giving right to a 6% stake in CMA CGM upon conversion. These bonds bear interest at 12% per annum payable in cash; and
- On February 12, 2013 the banks agreed a new debt restructuring program including modified covenants to take into account the industry's volatility and a partial extension of the existing revolving credit facility into new secured term loans.

PricewaterhouseCoopers Audit
Les Docks – Atrium 10.1
10 place de la Joliette – BP 81525
13567 Marseille Cedex 02

KPMG Audit
480 Avenue du Prado
13272 Marseille Cedex 08

CMA CGM S.A.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
Les Docks – Atrium 10.1
10 place de la Joliette – BP 81525
13567 Marseille Cedex 2

KPMG Audit
480 Avenue du Prado
13272 Marseille Cedex 08

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

To the shareholders,
CMA CGM S.A.
4 Quai d'Arenc
13002 Marseille

In compliance with the assignment entrusted to us by your Shareholders' General Meeting, we hereby report to you, for the year ended December 31, 2011, on :

- the audit of the accompanying consolidated financial statements of CMA CGM S.A.;
- the justification of our assesments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matters set out in notes 3.1 and 3.2 to the consolidated financial statements concerning the Group's situation with regard to its financial ratios and the status of the Group's discussions with its lenders in relation to the renegotiation of its financial debt repayment schedule.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Going concern:

Notes 3.1 and 3.2 to the consolidated financial statements decribe the status of the Group's discussions with its banks at the reporting date of the fianancial statements and the Group's going concern status. Based on our work and the information we have obtained to date, and as part of our assessment of the accounting policies implemented by your Group, we believe that the notes to the financial statements provide appropriate information in respect of the Group's going concern status.

Accounting estimates:

Note 2.3 to the consolidated financial statements sets out the significant accounting judgments, estimates and assumptions adopted by Management. These significant estimates mainly relate to assumptions used for the impairment testing of non-financial assets and to the valuation of deferred tax assets, pension and other post-employment benefits, financial derivatives, and accruals for port call expenses, as well as provisions for compensation to be paid to shipyards and impairment of prepayments relating to the cancellation of certain vessel orders by CMA CGM.

For all of these estimates, our procedures consisted in evaluating the reasonableness of the assessments made by Management, checking, through the use of sampling techniques and other methods of selection, supporting calculations made by Management and verifying that the relevant notes to the consolidated financial statements included appropriate disclosures of the assumptions used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Marseille, February 28, 2012

The statutory auditors

PricewaterhouseCoopers Audit

PricewaterhouseCoopers is represented by
PricewaterhouseCoopers Audit,
10, place de la Joliette, BP 81525, 13567 Marseille

KPMG Audit

Department of KPMG S.A.
Georges Maregiano
Partner

CMA CGM

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

Consolidated Income Statement
For the year ended December 31, 2011

(in USD thousand, except for earnings per share)

	Note	Year ended December 31, 2011	2010
REVENUE	(5)	14,869,593	14,290,907
Operating expenses	(6)	(14,555,419)	(11,780,166)
Gains / (Losses) on disposal of property and equipment and subsidiaries	(8)	396,652	5,723
OPERATING PROFIT / (LOSS) BEFORE DEPRECIATION, AMORTIZATION, INCOME FROM ASSOCIATES AND JOINT VENTURES AND OTHER NON CASH OPERATING ITEMS	(5)	**710,826**	**2,516,464**
Depreciation and amortization of non-current assets		(409,907)	(364,652)
Other operating items	(9)	51,410	(51,608)
NPV benefit related to assets	(10)	90,058	54,468
Share of profit (or loss) of associates and joint ventures	(20)	24,378	10,108
OPERATING PROFIT / (LOSS)		**466,765**	**2,164,780**
Cost of net debt	(11)	(430,822)	(276,042)
Other financial income	(12)	84,319	3,755
Other financial expense	(12)	(86,673)	(214,684)
FINANCIAL RESULT		**(433,176)**	**(486,971)**
PROFIT / (LOSS) BEFORE TAX		**33,589**	**1,677,809**
Income taxes	(13)	(33,260)	(23,784)
Profit / (loss) for the year		**329**	**1,654,024**
Attributable to non-controlling interests		30,823	27,284
PROFIT / (LOSS) ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	(5)	**(30,494)**	**1,626,741**
Earnings per share basic and diluted attributable to the owners of the parent company (in U.S. Dollars)		*(2.9)*	*153.8*

The accompanying notes are part of these annual consolidated financial statements

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2011

(in USD thousand)

Other Comprehensive Income	Year ended December 31, 2011	2010
PROFIT / (LOSS) ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	**(30,494)**	**1,626,741**
Profit / (loss) attributable to non-controlling interests	**30,823**	**27,284**
Profit / (Loss) for the year	**329**	**1,654,024**
Other comprehensive income:		
Cash flow hedges:		
Gains / (losses) arising during the year	56,693	(26,931)
Recycling to the income statement	41,754	(67,359)
Gains (losses) on property revaluation:		
Gains / (losses) arising during the year	0	(1,054)
Recycling of adjustments to reserves	—	—
Actuarial gains (losses) on defined benefit pension plans	(13,095)	(3,051)
Share of other comprehensive income of associates	(1,529)	(135)
Income tax relating to components of other comprehensive income:		
Gains / (losses) arising during the year *	5,781	171
Currency translation adjustment related to foreign subsidiaries, associates and joint ventures	(28,340)	(49,273)
Other comprehensive income, net of tax	**61,264**	**(147,632)**
Total comprehensive income for the year	**61,593**	**1,506,392**
Total comprehensive income attributable to:		
Owners of the parent company	31,555	1,480,411
Non-Controlling interests	30,037	25,982
	61,593	1,506,393

(*) The income tax related to each component of other comprehensive income is disclosed in note 21

The accompanying notes are part of these annual consolidated financial statements

Consolidated Balance Sheet-Assets
As at December 31, 2011

(in USD thousand)

	Note	As at December 31, 2011	As at December 31, 2010
ASSETS			
Goodwill	(14)	393,098	432,606
Other intangible assets	(15)	265,567	289,772
INTANGIBLE ASSETS		**658,665**	**722,378**
Vessels	(16)	6,278,603	5,518,981
Containers	(16)	772,299	949,590
Land and buildings	(16)	637,720	669,269
Other property and equipment	(16)	192,800	364,151
PROPERTY AND EQUIPMENT		**7,881,422**	**7,501,991**
Deferred tax assets	(21)	92,194	250,465
Investments in associates and joint ventures	(20)	624,900	336,663
Derivative financial instruments	(17)	7,312	17,852
Other financial assets	(18)	847,802	677,222
NON-CURRENT ASSETS		**10,112,295**	**9,506,571**
Inventories	(22)	519,657	405,026
Trade and other receivables	(23)	2,103,808	2,031,649
Derivative financial instruments	(17)	6,705	47,926
Financial assets at fair value through profit and loss	(24)	18,230	28,539
Cash and cash equivalents	(25)	857,117	538,688
Prepaid expenses	(26)	285,809	236,168
CURRENT ASSETS		**3,791,326**	**3,287,996**
Assets classified as held-for-sale	(27)	56,430	473,083
TOTAL ASSETS		**13,960,051**	**13,267,650**

The accompanying notes are part of these annual consolidated financial statements

Consolidated Balance Sheet-Liabilities
As at December 31, 2011

(in USD thousand)

	Note	As at December 31, 2011	As at December 31, 2010
LIABILITIES AND EQUITY			
Share capital		169,200	169,200
Reserves and retained earnings		3,541,135	1,635,566
Profit / (Loss) for the period attributable to the equity owners of the parent company		(30,494)	1,626,741
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		**3,679,841**	**3,431,507**
Non-controlling interests		43,849	45,075
TOTAL EQUITY		**3,723,690**	**3,476,582**
Financial debt (*)	(29)	4,956,513	1,291,760
Derivative financial instruments	(17)	58,937	180,168
Deferred tax liabilities	(21)	41,150	39,240
Provisions and retirement benefits obligations	(30)	224,557	191,413
Non-current deferred income		64,670	94,429
NON-CURRENT LIABILITIES		**5,345,827**	**1,797,010**
Financial debt (*)	(29)	1,151,381	4,298,907
Derivative financial instruments	(17)	97,265	102,330
Current portion of provisions	(30)	21,336	96,338
Trade and other payables	(23)	2,945,097	2,572,867
Current deferred income	(26)	646,183	588,589
CURRENT LIABILITIES		**4,861,262**	**7,659,031**
Liabilities associated with assets classified as held-for-sale	(27)	29,272	335,027
TOTAL LIABILITIES & EQUITY		**13,960,051**	**13,267,650**
(*) Total Financial debt current and non-current	(29)	*6,107,894*	*5,590,667*

The accompanying notes are part of these annual consolidated financial statements

Consolidated Statement of changes in equity
For the year ended December 31, 2011

(in USD thousand, except number of shares)

	Number of shares	Share capital	Premium, legal reserves and retained earnings	Other reserves (Note 28)	Currency translation adjustments	Profit / (Loss) for the year	TOTAL	Non-controlling interests	Total Equity
		Attributable to the equity owners of the parent							
			Reserves						
Balance as at January 1, 2010	**10,578,357**	**169,200**	**3,159,529**	**(28,491)**	**97,906**	**(1,447,048)**	**1,951,096**	**36,847**	**1,987,943**
Total income & expense for the year 2010 recognized directly in other comprehensive income		—	—	(98,123)	(48,207)	—	**(146,330)**	**(1,302)**	**(147,632)**
Profit / (Loss) of the year		—	—	—	—	1,626,741	**1,626,741**	27,284	**1,654,025**
Total income & expense for the year 2010		—	—	(98,123)	(48,207)	1,626,741	**1,480,411**	25,982	**1,506,393**
Allocation of prior year loss		—	(1,447,048)	—	—	1,447,048	**—**	—	**—**
Reclassification of other comprehensive income into reserves							**—**	—	**—**
Change in perimeter		—	—	—	—	—	**—**	1,741	**1,741**
Dividends		—	—	—	—	—	**—**	(19,495)	**(19,495)**
Balance as at December 31, 2010	**10,578,357**	**169,200**	**1,712,481**	**(126,614)**	**49,699**	**1,626,741**	**3,431,507**	**45,075**	**3,476,582**
Total income & expense for the year 2011 recognized directly in other comprehensive income		—	42,946	46,868	(27,765)	—	62,049	(785)	61,264
Profit / (Loss) of the year		—	—	—	—	(30,494)	(30,494)	30,823	329
Total income & expense for the year 2011		—	42,946	46,868	(27,765)	(30,494)	**31,555**	30,037	**61,593**
Allocation of the prior year profit		—	1,626,741	—	—	(1,626,741)	**—**	—	**—**
Bonds redeemable in shares (see Note 4)			218,711				**218,711**		**218,711**
Transaction with non controlling interests			(1,932)				**(1,932)**		**(1,932)**
Change in perimeter		—	—	—	—	—	**—**	(1,667)	**(1,667)**
Dividends		—	—	—	—	—	**—**	(29,596)	**(29,596)**
Balance as at December 31, 2011	**10,578,357**	**169,200**	**3,598,947**	**(79,746)**	**21,934**	**(30,494)**	**3,679,841**	**43,849**	**3,723,690**

The accompanying notes are part of these annual consolidated financial statements

Consolidated Cash Flow Statement
For the year ended December 31, 2011

(in USD thousand)

	Note	Year ended December 31, 2011	2010
Profit / (Loss) for the year		**329**	**1,654,024**
Reconcilation of profit / (Loss) for the year to cash generated from operations:			
—Depreciation and amortization		409,907	364,652
—NPV benefit related to vessels		(90,058)	(54,468)
—Allowance / (Reversal) of impairment of assets	(16)	(51,410)	51,608
—(Increase) / Decrease in provisions		(37,301)	(12,589)
—Loss / (Gains) on disposals of property and equipment and subsidiaries	(8)	(396,652)	(5,723)
—Net fair value (gains) / losses on derivative financial instruments		23,954	(105,942)
—Share of (Income) from associates and Joint Ventures		(24,378)	(10,108)
—(Gains) / Losses on disposals and change in fair value of financial assets at fair value through Profit and loss		3,842	1
—Interest expenses on net financial debt	(*)	391,447	253,230
—Deferred tax	(13)	(19,606)	(211)
—Other non cash items		13,146	145,371
—Financial gain on repurchase of € 500M and $ 300M bonds		(72,232)	—
—Unrealized exchange (Gain) / Losses		(3,062)	(88,044)
Changes in working capital:			
—Inventories		(120,714)	(87,171)
—Trade and accounts receivable		(139,811)	(120,920)
—Prepaid expenses		(54,095)	(61,329)
—Trade and other payables		413,527	(104,697)
—Deferred income excluding government subsidies		41,058	110,448
Net cash generated from operating activities		**287,892**	**1,928,132**
Purchases of intangible assets	(15)	(25,510)	(21,141)
Purchases / disposals of subsidiaries, net of cash acquired (disvested)	(4)	276,292	383
Purchases of property and equipment	(16)	(928,621)	(1,106,275)
Increase in assets held for sale		(80,482)	—
Purchases of non consolidated investments and other financial assets	(18)	(12,880)	(24,760)
Proceeds from disposal of property and equipment	(16)	257,302	17,956
Proceeds from disposal of assets classified as held for sale	(27)	183,614	208,633
Proceeds from the disposal of / (purchase of) financial assets at fair value through profit and loss, net		10,049	11,794
Proceeds from disposal of financial assets		(741)	10,831
Dividends received from associates and joint ventures		13,178	2,211
Variation in other long-term investments	(18)	134,838	(144,632)
Net cash used for investing activities		**(172,962)**	**(1,045,000)**
Issuance of bonds redeemable in shares (equity component)	(4)	494,718	—
Dividends paid to non controlling interests		(29,610)	(19,489)
Proceeds from bank borrowings, net of issuance costs	(29)	1,320,636	414,773
Increase in liabilities associated with assets held for sale		—	33,130
Repayments of bank borrowings	(29)	(692,130)	(635,428)
Principal repayments on finance leases	(29)	(211,441)	(290,587)
Repurchase of € 500M and $ 300M bonds	(29)	(539,291)	—
Decrease in liabilities associated with assets held for sale	(27)	(164,919)	(17,653)
Interest expenses on net financial debt	(*)	(341,165)	(250,293)
Refinancing of assets	(29)	256,999	575
Net cash provided by / (used for) financing activities		**93,797**	**(764,972)**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(4,919)	1,790
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**203,808**	**119,950**
Cash and cash equivalents		857,117	538,688
Bank overdrafts		(146,900)	(32,279)
Cash and cash equivalents and bank overdrafts at the end of the year	(25)	**710,217**	**506,409**
Supplementary information: non cash investing or financing activities:			
—Assets acquired through finance leases or equivalents		*327,618*	*602,901*
Supplementary information: Financial interest:			
—Cash inflow from interest	(11)	*18,400*	*4,238*
—Cash outflow from interest	(11)	*(367,809)*	*(257,468)*

(*) *For the purpose of presentation, financial interest paid and received is presented within cash flows drom financing activities in 2011. Previously, they were presented within net cash generated from operating activities*

The accompanying notes are part of these annual consolidated financial statements

Notes to the Annual Consolidated Financial Statements

1. Corporate information

The consolidated financial statements of CMA CGM S.A. ("CMA CGM") and its subsidiaries (hereafter referred to together as "the Group" or "the Company") for the year ended December 31, 2011 were approved by the Board of Directors on February 28, 2012.

The Group is headquartered in France and is the third largest container shipping company in the world. The Group operates primarily in the international containerized transportation of goods. Its activities also include container terminal operations and transport by rail, road and river.

CMA CGM S.A. is a limited liability company ("Société Anonyme") incorporated and located in France. The address of its registered office is 4, Quai d'Arenc, 13002 Marseille, France.

2. Accounting policies

2.1 Basis of preparation

The consolidated financial statements of CMA CGM have been prepared under the historical cost basis, with the exception of available-for-sale financial assets and derivative financial instruments which have all been measured at fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods, except as outlined in the paragraph below.

Up to December 2010, lands and buildings were initially recognized at cost and subsequently remeasured at fair value less accumulated depreciation. Given the uncertainty surrounding current property valuations, the Company has decided as of January 1, 2011 to apply the cost model valuation under IAS 16 consisting in maintaining assets at cost less depreciation and performing impairment tests as described below. This change in accounting method has no significant impact on net income, retained earnings and other reserves.

Statement of compliance

The consolidated financial statements of CMA CGM have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union ("EU").

Basis of consolidation

The consolidated financial statements comprise the financial statements of CMA CGM S.A. and its subsidiaries at December 31, 2011.

The consolidated financial statements are presented in U.S. Dollars (USD), which is also the currency of the primary economic environment in which CMA CGM S.A. operates (the 'functional currency'), and all values are rounded to the nearest thousand (USD 000) unless otherwise indicated.

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group balances, income and expenses and unrealized gains or losses resulting from intra-group transactions are fully eliminated.

The financial statements of subsidiaries have been prepared for the same reporting period as the parent company, using consistent accounting policies.

Non-controlling interests represent the portion of profit and loss and net assets that is not held by the Group and they are presented within equity and in the income statement separately from Group Shareholders' equity and Group profit for the year.

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result.

(b) Interests in associates and joint ventures

Companies for which the Group holds 20% or more of the voting rights or over which the Group has significant influence over the operating and financial policy are accounted for under the equity method. The Group's interests in jointly controlled entities are accounted for under the equity method.

Under the equity method, equity interests are accounted for at cost, adjusted for by the post-acquisition changes in the investor's share of net assets of the associate, and reduced by any distributions (dividends).

The carrying amount of these companies is presented in the line "Investments in associates and joint ventures" on the balance sheet.

"Share of profit (or loss) of associates and joint ventures" is presented within "Operating profit / (loss)" as it was concluded that the business of these entities forms part of the Company's ongoing operating activities and that such entities cannot be considered as financial investments. This line item includes impairment of goodwill related to associates and joint ventures, financial income and expense and income tax.

An associate's losses exceeding the value of the Group's interest in this entity are not accounted for, unless the Group has a legal or constructive obligation to cover the losses or if the Group has made payments on the associate's behalf.

Any surplus of the investment cost over the Group's share in the fair value of the identifiable assets, liabilities of the associate company on the date of acquisition is accounted for as goodwill and included in the carrying amount of the investment.

Any remaining investment in which the Group has ceased to exercise significant influence or joint control is not accounted for in equity and is valued at fair value (considered as available-for-sale financial assets).

2.2 Change in accounting policies and new accounting policies

New and amended IFRS and IFRIC interpretations mandatory for the first time for the financial year beginning January 1, 2011 but not currently relevant, significant or applicable to the Group (although they may affect the accounting for future transactions and events).

- Revised IAS 24 (revised), "Related party disclosures", issued in November 2009. It supersedes IAS 24, "Related party disclosures", issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after January 1, 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.
- IFRIC 19, "Extinguishing financial liabilities with equity instruments", effective July 1, 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. The adoption of this interpretation had no impact on the Group entity's financial statements.
- "Prepayments of a minimum funding requirement" (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, "IAS 19—The limit on a defined benefit asset, minimum funding requirements and their interaction". Without the amendments, entities are not permitted to recognize some voluntary prepayments for minimum funding contributions as an asset. The adoption of this amendment had no impact on the Group's financial statements.

- IAS 32, "classification of rights issues" (amendments). For rights issues offered for a fixed amount of foreign currency current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all of an entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. As the Company did not hold such instrument, the adoption of this amendment did not have any impact on the consolidated financial statements.
- IFRS 1, "Limited exemption from comparative IFRS 7 Disclosures for First-Time adopters" (amendment). As the Company is not a first-time adopter, it was not impacted by the adoption of this amendment.
- Improvements to IFRS 2010. In this third edition of the annual improvements, the IASB issued eleven amendments to six standards and one interpretation. These amendments are effective as at January 1, 2011. The adoption of these amendments did not have any impact on the consolidated financial statements.

New IFRS and IFRIC interpretations not effective for the financial year beginning January 1, 2011 and not early adopted:

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after January 1, 2012 or later periods, but the Group has not early adopted them:

- IFRS 7—Financial instruments—disclosures
- IFRS 9—Financial instruments
- IFRS 10—Consolidated Financial Statements
- IFRS 11—Joint arrangements
- IFRS 12—Disclosure of interests in other entities
- IFRS 13—Fair value measurement
- Amendment to IAS 1—Presentation of financial statements
- Amendment to IAS 12—Income taxes
- Amendment to IAS 19—Employee benefits
- Amendment to IAS 27—Separate financial statements
- Amendment to IAS 28—Associates and joint ventures

The impact resulting from the application of these standards, amendments and interpretations is currently being assessed.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires the use of judgments, best estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

Although these consolidated financial statements reflect management's best estimates based on information available at the time of the preparation of these financial statements, the outcome of transactions and actual situations could differ from those estimates due to changes in assumptions or economic conditions.

The main sensitive accounting methods involving use of estimates and judgments are described below.

Impairment of non-financial assets

When value in use calculations are undertaken, management must estimate the expected future cash flows of the asset or cash-generating unit and choose a suitable discount rate and a perpetual long-term growth rate in order to calculate the present value of those cash flows. These estimates take into account certain assumptions about the global economic situation and the future growth of the container shipping industry.

The main assumptions used by the Company in order to perform the impairment test of the non-financial assets are the following:

- The level at which the assets were tested:
  - CMA CGM is organized as a container carrier, managing its customer base and fleet of vessels and containers on a global basis. Large customers are dealt with centrally and assets are regularly reallocated within trades according to demand. Even though certain trades may have their own specificities, none generates cash flows independently of the others. As such, vessels, containers, goodwill and other long-term assets related to the container shipping activity are not tested individually but rather on the basis of the cash flows generated by the overall container shipping activity.
  - For other activities, such as terminal operations, the cash generating units ("CGU") correspond to each individual terminal or entity, or to a group of terminals or entities when they operate in the same geographic area and their activities are interrelated.
- For the container shipping activity, which represents the vast majority of the Company's business, the cash flows used to determine the value in use are based on the Group's most recent business plan prepared by management, which covers a 5 year period.
- The discount rates used for testing purposes vary between 7.8% and 11.0% (7.8% to 10% in 2010), depending upon the inherent risk of each activity tested. These rates may differ from the weighted average cost of capital of the Group.
- The perpetual growth rate applied to periods subsequent to those covered by management's business plan was generally set at zero.

In 2011 and 2010, no significant impairment loss was recognized on tests performed at cash generating unit levels. The container shipping industry is volatile and in 2011 was undergoing a cyclical downturn with pressure on freight rates and overcapacity in the global containership fleet which currently exceeds the continuing growth of demand. To prepare its business plan, management considered historical data and opinions from independent shipping experts which tend to indicate that current trends will not continue and that in the medium term, freight rates will recover and fleet capacity will adapt to demand.

Regarding the container shipping activity, if the discount rate had been increased by 1%, the net present value of future cash flows would have been lower by USD 1,347 million, which would not have resulted in any impairment charge. The estimated fair value of the container shipping assets to be tested would have been approximately equal to its carrying amount if the discount rate had been increased by 3%.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other long-term and post-employment benefit obligations is determined based on actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates, medical care inflation rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to uncertainty. The Group uses the services of a third party actuary to perform these valuations.

Financial instruments

In measuring the fair value of financial instruments (essentially bunkers and interest rate derivative instruments), the Group uses valuation models involving a certain number of assumptions subject to uncertainty. Any change in those assumptions could have an impact on the financial statements.

Accruals for port call expenses, transportation costs and handling services

Port call expenses, transportation costs and handling services have to be estimated as there can be delays between the provision of services and the receipt of the final invoices from shipping agents and suppliers throughout the world.

Provision for risks and impairment related to cancellation of vessel orders

In 2009, the Group entered into certain discussions with shipyards in order to cancel certain vessel orders. As at December 31, 2011, the Company recorded the management's best estimates of the Group's exposure in terms of prepayments to be waived and compensation to be paid to shipyards for order cancellations in accordance with contractual obligations. Actual results of the Company's ongoing negotiations may differ from these accounting estimates.

2.4 Summary of significant accounting policies

Translation of financial statements of foreign operations

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in U.S. Dollars, which is the Company's functional and presentation currency.

Translation of financial statements of foreign entities

The financial statements of foreign entities are translated into the presentation currency on the following basis:

- Assets and liabilities are translated using the exchange rate prevailing at year-end;
- The income statement is translated at the average exchange rate for the reporting period; and
- The results of translation differences are recorded as "Currency translation differences" within other comprehensive income.

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recorded within other comprehensive income. When a foreign operation is disposed of, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualified as cash flow hedges or net investment hedge.

Foreign exchange gains and losses relating to operational items (mainly trade receivables and payables) are recorded in the line item "Operating exchange gains / (losses), net" within "Operating expenses". Foreign exchange gains and losses relating to financial items are recorded in the line item within "Cost of net debt" for realized exchange gains and losses on financial debt and within "Other financial items" for all other foreign exchange gains and losses.

Exchange rates of significant currencies are as follows:

	Closing rate		Average rate	
	2011	**2010**	**2011**	**2010**
Euro	0.77286	0.74839	0.71886	0.75460
British pounds sterling	0.64557	0.64421	0.62347	0.64727
Australian Dollar	0.98331	0.98309	0.96873	1.09014

Revenue recognition and related expenses

Revenue comprises the fair value of the sale of services, net of value-added tax, rebates and discounts after eliminating sales within the Group.

The Group recognizes revenue when (i) the amount of revenue can be reliably measured, (ii) it is probable that future economic benefits will flow to the entity and (iii) specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Container Shipping

Freight revenues and costs directly attributable to the transport of containers are recognized on a percentage of completion basis, which is based on the proportion of transit time completed at report date for each individual container. Deferred freight revenues and costs directly attributable to containers are reported as deferred income and prepaid expenses.

Other activities

For other activities, revenue is recognized when the services have been rendered or when the goods have been delivered.

Current income tax

The Group is subject to income taxes in numerous jurisdictions. When permitted by local tax authorities, mainly in France, the United Kingdom and Singapore, the Company elected for the tonnage tax regime.

Deferred income tax

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

The deferred income taxes are recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the deferred income taxes are recognized in other comprehensive income or directly in equity, respectively.

Considering the tonnage tax regime applicable to Group shipping activities, differences between taxable and book values of assets and liabilities are generally of a permanent nature. Temporary differences are limited to those arising from other activities which are subject to usual tax laws.

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The diluted earnings per share takes into account the impact of the bonds mandatorily redeemable into common shares.

Goodwill and Business Combinations

Business combinations are accounted for using the acquisition method defined in IFRS 3. Accordingly, as of January 1, 2010, all acquisition-related costs are expensed.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Contingent payments classified as debt are subsequently remeasured through the statement of comprehensive income.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Determination of goodwill

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase then the difference is recognized directly in the income statement.

Adjustments are recognized as changes to goodwill, provided they are made within the twelve months of the date of acquisition.

Measurement and presentation of goodwill

Goodwill on acquisition of subsidiaries is disclosed separately in the balance sheet. Goodwill on acquisition of associates is included in investment's net book value.

Goodwill is not amortized but tested for impairment annually and upon the occurrence of an indication of impairment. The impairment recorded may not subsequently be reversed. The impairment testing process is described in the appropriate section of these policies.

At the time of the sale of a subsidiary or a jointly controlled entity, the amount of the goodwill attributable to the subsidiary or associates and joint ventures is included in the calculation of the gain and loss on disposal.

Transactions with non-controlling interests

When purchasing non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Other intangible assets

Intangible assets related to concession arrangements are included in other intangible assets.

Under the terms of IFRIC 12, the Group operates certain terminal regulated concession arrangements meeting the definition the "intangible asset" model. Concession intangible assets correspond to the concession operator's right to operate the asset under concession in exchange for certain future royalty payments. This right corresponds to the cost of equipment acquired to operate the terminal concession plus the estimated discounted value of future royalty payments that are accounted for as a concession liability. This right is amortized over the term of the arrangement. Changes in the measurement of the concession liability that result from changes in the estimated timing or amount of the expected concession royalty payments, or a change in the discount rate, are added to, or deducted from, the cost of the related concession intangible asset in the current period. The adjusted depreciable amount of the concession intangible asset is depreciated over its remaining useful life.

Other intangible assets also consist of software developed and acquired for internal corporate use, which is recorded at the initial acquisition cost plus the cost of development minus the total of the amortization and any impairment loss. In-house software development costs are capitalized in accordance with criteria set out in IAS 38.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Software developed or acquired is amortized on a straight-line basis over five to seven years based on the estimated useful life.

Property and equipment

Items of property and equipment are recognized as assets when it is probable that the future economic benefits associated with the asset will flow to the enterprise; and the cost of the asset can be measured reliably.

Property and equipment are recorded at the historical acquisition or manufacturing cost, less accumulated depreciation and any impairment loss. Acquisition or manufacturing costs comprise any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Borrowing costs incurred for the construction of any qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

On initial recognition, the cost of property and equipment acquired is allocated to each component of the asset and depreciated separately.

Maintenance costs are recognized as expenses for the period, with the exception of mandatory dry-docks required to maintain vessel navigation certificates, which constitute an identifiable component upon the acquisition of a vessel and which are thereafter capitalized when the following dry-docks occur. Dry-docks are depreciated over the remaining useful life of the related vessel or to the date of the next dry-dock, whichever is sooner.

Depreciation on assets is calculated using the straight-line method to allocate the cost of each part of the asset to its residual value (scrap value for vessels and containers) over its estimated useful life, as follows:

Asset	*Useful life in years*
Buildings (depending on components)	15 to 40
New container and Roll-on Roll-off vessels	25
Dry-docks (component of vessels)	1 to 7
Second-hand container and Roll-on Roll-off vessels (depending on components)	25 to 30
New barges/ Second-hand barges	40/ 20
New containers	12
Second-hand containers (depending on residual useful life)	3 to 5
Fixtures and fittings	10
Other fixed assets such as handling and stevedoring equipment	3 to 20

The assets' residual values and useful lives are reviewed, and adjusted if necessary, at each balance sheet date. The residual value for vessels is based on the lightweight and the average market price of steel. The residual value for containers is based on the Company's historical experience of the sale of used containers.

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals correspond to the difference between the proceed and the carrying amount of the asset disposed of. These are included in the income statement.

Investment properties

Investments in properties corresponding to buildings leased for rent are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in the income statement in the year in which they arise. Because investment properties are immaterial for the Group, they do not give rise to a separate balance sheet item and are included within "Land and buildings".

Investment properties are no longer recognized when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of derecognition.

Leases

In the course of carrying out its business, the Group uses assets made available under lease contracts. These contracts are analyzed based on situations and indicators described in IAS 17 in order to determine whether they are finance leases or operating leases.

Finance leases

When the Company leases assets under long-term contracts or other similar arrangements that transfer substantially all risks and rewards of ownership to the Company, the leased asset is recognized in the balance sheet at the lower of its fair value and the net present value of the minimum lease payments depending on the tax structure of the lease. The net present value of the minimum lease payments is recorded as a liability.

Operating leases

Leases where the lessor substantially retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Amounts of operating lease payments charged to the income statement during the period are presented as disclosed in Note 31 related to commitments.

Sale and leaseback transactions

In the context of sale and operating leaseback transactions, the related profits or losses are accounted for as follows:

- If the transaction is at fair value, they are recognized immediately;
- If the sale price is below fair value, any profit or loss is recognized immediately except if the loss is compensated for by future lease payments at below market price, in which case it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used; or
- If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

In the context of sale and finance leaseback transactions, any gain on the sale is deferred and recognized as financial income over the lease term.

Impairment of non-financial assets

The Group reviews the carrying amounts of property and equipment and intangible assets annually in order to assess whether there is any indication that the value of these assets might not be recoverable. If such an indication exists, the recoverable value of the asset is estimated in order to determine the amount, if any, of the impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment of goodwill and other assets that do not generate cash inflows, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units).

The impairment tests on goodwill are performed annually at the CGU level, unless there is an indication of impairment on other assets' categories. The Group defines its CGU based on the way it monitors and derives economic benefits from the acquired business.

Financial assets

The Group determines the classification of its financial assets at initial recognition. The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss (mainly marketable securities), loans and receivables (cash and cash equivalents, trade and other receivables), available-for-sale financial assets (quoted and unquoted financial instruments) and derivatives. The classification depends on the purpose for which the investments were acquired (see note 19).

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable costs.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. For the Company, this category mainly includes marketable securities (financial assets at fair value through profit and loss) and derivative financial instruments that do not qualify for hedge accounting (financial assets held for trading). Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

Realized and unrealized gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not to be traded. They are included in non-current assets when maturities are over 12 months after the balance sheet date.

Loans and receivables are recognized at amortized cost using the effective interest method (discounting effect is deemed not material for trade receivables), less impairment. An impairment of a loan or a receivable is established when there is objective evidence, based on individual analyses, that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment loss is recognized in the income statement.

The Company transfers certain receivables of certain shipping agencies by way of a securitization program. The lenders have full recourse in the case of a failure to pay by the debtor. As a portion of the risks and rewards of ownership related to these trade receivables have been retained by the Group, they are not derecognized and a financial debt is recorded against the cash consideration received from the lenders (collateralized borrowing). Similarly, when the Company receives shares from the securitization vehicle either (i) as a consideration for receivables transferred during the period or (ii) as an advance consideration for receivables to be transferred in a subsequent period, the related receivables are not derecognized and maintained in the balance sheet. These commitments are presented as off-balance sheet commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Equity investments in unconsolidated companies and other long-term investments held by the Company are classified as available-for-sale assets.

Investments are initially recognized at fair value plus transaction costs. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of income as gains and losses from investment securities.

Fair Value of financial assets

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are largely similar and discounted cash flow analyses refined to reflect the issuer's specific circumstances.

The table below that presents a breakdown of financial assets and liabilities categorized by value (see Note 17) meets the amended requirements of IFRS 7. The fair values are classified using a scale which reflects the nature of the market data used to make the valuations. This scale has three levels of fair value:

- level 1: fair value based on the exchange rate/price quoted on the active market for identical instruments;
- level 2: fair value calculated from valuation techniques based on observable data such as active prices or similar liabilities or scopes quoted on the active market;
- level 3: fair value from valuation techniques which rely completely or in part on non observable data such as prices on an inactive market or the valuation on a multiples basis for non quoted securities.

Impairment of financial assets (available for sale / loan and receivables)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is to be impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are to be impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss—measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss—is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement regarding equity instruments cannot be reversed through the income statement.

Derivative instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-evaluated at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if this is the case, on the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedge) or hedges of net investments in foreign operations.

The Group documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 17. Movements on the hedging reserve are shown in other comprehensive income.

The Company classifies its derivative instruments in the following categories:

(a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. The income statement impact (effective and ineffective portion) of bunker hedging activities that qualify as cash flow hedges is presented in the line item "Bunkers and Consumables".

Amounts accumulated in other comprehensive income are recycled in the income statement for periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognized in the income statement within “Interest expense on financial debt”. The gain or loss relating to the ineffective portion is recognized in the income statement under the heading “Other financial items”.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory), the gains and losses previously deferred in other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the cost of the non financial asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at this time remains in other comprehensive income and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement.

(b) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income; the gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Gains and losses accumulated in other comprehensive income are included in the income statement when the foreign operation is disposed of.

(c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified as assets or liabilities at fair value through profit or loss, and changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement. The income statement impact of such derivatives is presented in the line item “Other financial items”.

Inventories

Inventories are initially recorded at cost. Cost represents the purchase price and any directly attributable costs.

Inventory costs include the transfer from other comprehensive income of any gains/losses on qualifying cash flow hedges relating to inventory purchases. Inventories mainly relate to bunker fuel at the end of the period. Cost is determined on a first-in, first-out basis.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and margin calls related to the Company’s derivative financial instruments (see note 25). Those financial assets are classified as loan and receivables and valued as described above. Bank overdrafts are presented within financial debts on the balance sheet.

Non-current assets held-for-sale

Non-current assets and subsidiaries to be disposed of are classified as held-for-sale and measured at the lower of the carrying amount and fair value less costs to sell. Non-current assets and subsidiaries are classified as held-for-sale only when the sale is highly probable and the asset or subsidiary is available for immediate sale in its present condition, subject to terms that are usual and customary for the sale of such items. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Liabilities directly associated with these assets are presented in a separate line in the balance sheet.

When a subsidiary is classified as held-for-sale the depreciation of its non-current assets is discontinued. The profit or loss before depreciation is recognized in the income statement unless the carrying amount of the subsidiary taken as a whole falls below its fair value, in which case an impairment charge is recognized.

Share capital

The share capital is fully constituted of ordinary shares with the exception of a preference share held by Yildirim.

In 2011, the Company issued bonds mandatorily redeemable in the Company's preferred shares. In 2018, the preferred shares will automatically be converted into common shares of the Company (see note 4).

No other share option plans or dilutive equity instruments have been issued in the year. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

Retirement benefits and similar obligations

Group companies operate in various jurisdictions and provide various pension schemes to employees. The Company has both defined benefit and defined contribution pension plans. The Group has also agreed to provide certain additional post employment healthcare benefits to employees in Morocco.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The post-employment benefit paid to all employees in the Group's home country qualifies as a post-employment defined benefit plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company's employees are generally entitled to pension benefits, in accordance with local regulations:

- Retirement indemnity, paid by the Company on retirement (defined benefit plan); and
- Pension payments from social security bodies, financed by contributions from businesses and employees (defined contribution plan).

The Group's obligations in respect of defined benefit pension schemes and retirement indemnities on retirement are calculated using the projected unit credit method, taking into consideration specific economic conditions prevailing in the various countries concerned and actuarial assumptions. These obligations might be covered by plan assets. The Company obtains an external valuation of these obligations annually.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. Changes in actuarial assumptions arising from experience adjustments are directly recognized in other comprehensive income.

Payments made by the Company for defined contribution plans are accounted for as expenses in the income statement in the period in which the services are rendered.

Past service costs are recognized immediately in the income statement unless the changes to the pension plan are conditional on the employee remaining in service for a specified period of time. In this case, the past service costs are amortized on a straight line basis over the remaining vesting period.

Provisions

The Group recognizes provisions when:

- The Group has a present legal or constructive obligation as a result of past events;
- It is more likely than not that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

The Group evaluates provisions based on facts and events known at the closing date, from its past experience and to the best of its knowledge. Provisions mainly cover litigation with third parties such as shipyards, restructuring and cargo claims.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives. The Group determines the classification of its financial liabilities at initial recognition. The Group does not hold over the period presented financial liabilities at fair value through profit and loss.

Financial liabilities are recognized initially at fair value. The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and derivatives (see note 19).

Except for obligations recognized under finance leases, financial debts are recognized initially at fair value, net of transaction costs incurred. Financial debts are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of income over the period of the borrowings using the effective interest method.

Financial debt also comprises obligations recognized under finance lease agreements.

Deferred income

The Company benefits from leveraged tax leases in France, the United Kingdom and Singapore.

When such agreements qualify as finance leases, the Company recognizes the cost of building vessels as property and equipment, and the net present value ("NPV") of future lease payments as obligations under finance leases. Under leveraged tax leases, a tax benefit is passed on by the lessor either over the lease term through lower lease payments or at the end of the lease term through the recovery of a cash amount:

- When the Company receives the benefit through lower lease payments, its net present value is accounted for as "Deferred income" within liabilities in the balance sheet (allocated between current and non-current portion depending on twelve month maturity). This benefit is then credited to the statement of income on a vessel by vessel basis over the tax financing period under the heading "NPV benefit related to assets" which range from 5 to 8 years. This income is presented within "Operating profit / (loss)" as it is considered that this benefit is in effect a reduction of the operational running cost of the vessel;
- When the Company benefits from the tax advantage at the end of the lease term, a financial asset is recognized within "Other financial assets" progressively over the tax financing period and the corresponding income is recorded under the heading "NPV benefit related to assets".

3. Financial risk management objectives & policies

3.1 Financial covenants and current status of discussions with lenders

On January 27, 2011, the Company received USD 500 million in cash in relation to the investment of Yildirim Group (Yildirim) through a subscription to bonds mandatorily redeemable in the Company's preferred shares (see Note 4).

On April 27, 2011, the Company raised USD 945 million (USD 927 million net of issuance costs) through the sale of unsecured bonds, 475 million in dollar-denominated senior notes which are due in 2017 and 325 million in euro-denominated notes due in 2019 (see Note 4).

Proceeds from the issuance of these bonds were used in July 2011 for the redemption of the Company's senior notes due in 2012 and 2013 for an amount of USD 552 million, including early redemption premium.

In early September 2011, the Company anticipated its below budget financial performance for 2011, and began discussions with its lenders in order to waive two covenants, the Leverage and Coverage ratios, for the testing date at year-end 2011. Early in December 2011, the Company reached a formal agreement with its financial creditors, waiving the requirement that the leverage and coverage ratios be tested as at December 31, 2011.

On January 25, 2012, the Company's shareholder exercised its option to call a further USD 250 million in cash from Yildirim in exchange for bonds redeemable in the Company's shares (see Note 4).

In February 2012, in a constructive dialogue with its lenders, the Company has begun an informal discussion with some banks. The next step will be a meeting with all the Company's banks scheduled for the beginning of March 2012 which will aim to renegotiate its existing debt repayment schedule described in Note 29.

3.2 Going Concern

As set out above, the outcome of the current discussion with the lenders is unknown at this stage.

The annual consolidated financial statements as at December 31, 2011 have been prepared on a going concern basis, which management considers appropriate based on the business plan referred to in Note 2.3 and (i) the Company's freight rate restoration program announced in February 2012 and applicable as from March 15, 2012, (ii) the cost reduction plan implemented in 2011, (iii) the action plan to sell certain assets and (iv) the ongoing discussions with shareholders and lenders.

3.3 Vessels under construction

In 2009, the Company cancelled certain vessel orders. Corresponding prepayments amounting to USD 303 million were reclassified from property and equipment to other non-current financial assets and an impairment charge was recognized for USD 301 million. In addition to this impairment, as at December 31, 2009 the Company recognized a provision amounting to USD 66 million to reflect its estimated contractual obligations.

In 2010, the Company recorded an additional allowance of USD 27,719 thousand for certain prepayments made to the shipyards following the decision of the Company to cancel four 3,600 TEUs vessels orders (see note 9). These vessels were subsequently acquired by a ship-owner and chartered back to the Company on a 8 year term.

In 2011, management decided to replace 2 orders for vessels under construction that had previously been cancelled at the request of the Company. As a result, the Company reversed an impairment accounted for in 2009 amounting to USD 41,461 thousand and an associated provision for indemnification of the shipyard for an amount of USD 7,970 thousand.

Discussions with other shipyards are still on-going. As of December 31, 2011, the remaining provision related to vessel order cancellations amounts to USD 154 million, including prepayments impaired for USD 122 million and provisions for additional risks and obligations for USD 32 million.

3.4 Other financial risks

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and bunker costs risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial and oil/commodity markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury and bunkering departments according policies approved by management. These departments identify, evaluate and hedge financial risks in close relation with operational needs. Management provides written principles for overall risk management, as well as written policies covering specific areas, such as bunker risk, foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

(a) Bunker costs risk

The Company applies bunker surcharges (Bunker Adjustment Factor or BAF) to compensate for fluctuations in the price of fuel. The Group's risk management policy is also to hedge through "over-the-counter" derivative instruments such as swaps and options. The Company analyzes its exposure to price fluctuations on a continual basis.

The fuel prices over the last three years are as follows:

Market data as at:	Closing rate 2011	2010	2009	Average rate 2011	2010	2009
Nymex WTI (1st nearby un $ per barrel)	98.83	91.38	79.36	95.11	79.64	62.14
Brent (1st nearby un $ per barrel)	107.38	94.75	77.93	110.85	80.36	62.74

As at December 31, 2011, the Company hedged approximately 9% of expected purchase of bunkers for the next year.

The table below analyses the nominal amount and the fair value of the Group's derivative financial instruments entered into to hedge the Company's exposure to bunker cost fluctuations as at December 31, 2011:

As at December 31,2011	Nominal amount in thousand U.S. Dollars *	Maturity Less than 1 year	More than 1 year	Fair value
Commodity swaps—cash flow hedge	—	—	—	—
Other derivatives—not qualifying for cash flow hedge	**419,840**	260,057	159,783	(39,921)
Total	**419,840**	**260,057**	**159,783**	**(39,921)**

* *Derivative nominal values per agreement are established in barrels. For the purpose of the above disclosure, nominal values have been converted to dollars using contractual prices (fixed swap price or strike).*

With all other variables constant and excluding the impact of the BAF, the effect of a 10% increase in the spot price of bunkers on the 2011 consolidated income statement would have been an increase of USD 3,386 thousand in the fair value of derivatives. An equivalent 10% decrease would have had a negative impact of USD 2,099 thousand.

(b) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The functional currency of the Group being the U.S. Dollar, the Company is primarily exposed to the Euro and the Pound Sterling currency fluctuations regarding its operational transactions, and to the Euro currency fluctuations regarding its financing transactions. Transactional currency exposure risks arise from sales or purchases by an operating unit in a currency other than the Group's functional currency.

As at December 31, 2011	Carrying amount in thousand U.S. Dollars	USD	EUR	GBP	Others
Trade receivables and prepaid expenses	**2,389,616**	1,112,324	612,716	121,500	543,076
Cash and cash equivalents and financial assets at fair value through profit and loss	**875,347**	365,446	254,963	12,825	242,113
Trade payables and current deferred income	**3,591,280**	1,806,355	724,528	110,482	949,915
Financial Debt	**6,107,894**	4,187,056	1,647,535	79,946	193,357*
				YEN	14,300*

This exposure is mitigated to a certain extent by the currency mix of operating revenues and expenses. The Company may conclude certain derivative transactions to hedge specific risks.

The sensitivity of the fair value of derivative instruments to foreign currency fluctuations, with all other variables constant, is not significant for most currencies. Regarding the U.S. Dollar against the Euro, a variation of 0.10 (e.g. 1.47 to 1.57) would result in a reduction of USD 676 thousand in the fair value of derivatives and USD 204 thousand in the interest expense. Regarding the U.S. Dollar against the Yen, a variation of 0.001 (e.g. 0.0089 to 0.0099) would result in a reduction of USD 1,976 thousand in the fair value of derivatives and USD 117 thousand in the interest expense.

(c) Price risk on equity securities

The Group is exposed to an equity securities price risk due to investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through profit and loss and as available-for-sale financial assets. To manage the price risk arising from investments in equity securities, the Group diversifies its portfolio.

A 5% increase on the existing portfolio in equity securities as at December 31, 2011 would have a positive impact on the income statement of USD 573 thousand for financial assets at fair value through profit and loss (USD 1,261 thousand as at December 31, 2010).

(d) Cash Flow Interest rate risk

The year 2011, as the previous years, has been affected by the global economical down turn, the liquidity crunch and historically low levels of market interest rates.

	Closing rate			Average rate		
Market data as at :	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**
LIBOR USD 3 M	0.58%	0.30%	0.25%	0.34%	0.34%	0.69%

The Group's interest rate risk mainly arises from financial debts. The Company has financial debts (including obligations under capital leases) issued at variable rates (USD Libor) that expose the Company to a cash flow interest rate risk.

The Group's strategy was reassessed in 2011, leading to the unwinding of certain previously held positions and the allocation of certain derivative financial instruments to the uncovered part of the debt bearing interest at variable rate.

As at December 31, 2011, taking into account the interest rate hedges, the debts bearing interest at variable rates represent 40% of total debts against 60% at fixed rates.

The table below analyzes the fair value of the Group's interest rate derivatives in relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date.

		Maturity		
As at December 31, 2011	**Nominal amount in thousand U.S. Dollars**	**Less than 5 years**	**More than 5 years**	**Fair value**
Interest swaps—cash flow hedge	**1,128,718**	481,688	647,030	(91,278)
Interest swaps—not qualifying for cash flow hedge	**483,877**	398,228	85,649	(11,050)
Total	**1,612,594**	**879,916**	**732,679**	**(102,328)**

The following table presents the sensitivity analysis of the Group's profit before tax and of the Cash Flow reserve as at December 31, 2011 to a possible change in interest rates, with all other variables held constant.

(in USD thousand)		Income Statement impact		Balance Sheet impact
		Change in fair value of derivatives	**Interest expenses ***	**Cash Flow Reserve**
U.S Dollar	+1%	26,928	7,211	23,715
Euro	+1%	(189)	56	—
Japanese Yen	+1%	(669)	(857)	—

Credit risk

The Group trades with large, recognized, creditworthy third parties and also with a very large number of smaller customers for which prepayments are often required. Trade receivables and third party agents outstanding balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant (bad debts represent 0.4% of revenue in 2011 and 0.4% in 2010). Because of the large customer base, the Group has no significant concentration of credit risk. No customer represents more than 5% of Group revenue.

Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

Liquidity risk

The maturity profile of the Group's financial liabilities at December 31, 2011 based on contractual undiscounted payments is disclosed in Note 29.

The table below presents the undiscounted cash flows of interest swap derivatives based on spot rate as at December 31, 2011 (for translation to U.S. Dollars) and on the interest rate curve as at December 31, 2011:

(in USD thousand)	2012	2013	2014	2015	2016	Onwards
Interest swaps—Assets *	5,153	4,535	3,797	2,344	483	1,130
Interest swaps—Liabilities **	(62,623)	(55,470)	(51,001)	(44,073)	(38,564)	(131,268)
Total	**(57,470)**	**(50,935)**	**(47,204)**	**(41,729)**	**(38,081)**	**(130,138)**

* *"Interest swaps—Assets" relates to those derivatives which had a positive fair value as of December 31, 2010.*
** *"Interest swaps—Liabilities" relates to those derivatives which had a negative fair value as of December 31, 2010.*

Certain financing agreements contracted by the Group require the fulfillment of financial covenants. Financial covenants generally applicable to these agreements are:

- Maximum leverage ratio (Net Financial Debt / EBITDA); and
- Minimum coverage ratio (EBITDA / Principal and interest repayments);
- Maximum gearing ratio (Net debt / Equity);
- Loan-to-value ratio (financing / market value of related vessel),
- Minimum cash balance.

The current status of such covenants is described in Note 3.1.

Regarding the liquidity risk linked to vessel financing, please refer to the financial commitments presented in Note 29.

Capital risk management

The Group monitors capital on the basis of the leverage ratio calculated by dividing net debt by EBITDA. Net debt includes financial debt less cash and cash equivalents and marketable securities. EBITDA is a non-IFRS measure defined as Earnings Before Interest, Tax, Depreciation and Amortization and it corresponds to the line "Operating profit / (loss) before depreciation, amortization, income from associates and jointly controlled entities and other operating items" in the consolidated income statement. The Group also monitors its coverage ratio, which measures the number of times the Group could make the principals and interest payments on its debt with its EBITDA.

Fair value hierarchy

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2011:

As at December 31, 2011	Level 1	Level 2	Level 3	Total Balance
Assets				
Financial assets at fair value through profit or loss	18,230	—	—	18,230
Derivatives not qualified to hedge accounting	—	13,357	660	14,017
Derivatives used for hedging	—	—	—	—
Available-for-sale financial assets	—	—	58,832	58,832
Total Assets	**18,230**	**13,357**	**59,492**	**91,079**
Liabilities				
Derivatives not qualified to hedge accounting	—	61,860	3,063	64,923
Derivatives used for hedging	—	91,279	—	91,279
Total Liabilities	**—**	**153,139**	**3,063**	**156,202**

The following table presents the group's assets and liabilities that are measured at fair value at December 31, 2010:

As at December 31, 2010	Level 1	Level 2	Level 3	Total Balance
Assets				
Financial assets at fair value through profit or loss	28,539	—	—	28,539
Derivatives not qualified to hedge accounting	—	61,178	4,600	65,778
Derivatives used for hedging	—	—	—	—
Available-for-sale financial assets	—	—	57,217	57,217
Total Assets	**28,539**	**61,178**	**61,817**	**151,534**
Liabilities				
Derivatives not qualified to hedge accounting	—	149,009	888	149,897
Derivatives used for hedging	—	132,601	—	132,601
Total Liabilities	**—**	**281,610**	**888**	**282,498**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise listed equity investments classified as available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to calculate the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument would be included in level 3.

4. Significant events occurred during the year

Investment of Yildirim

On January 27, 2011, the Company received USD 500 million in cash in relation to the investment of Yildirim Group (Yildirim) through a subscription to bonds mandatorily redeemable in the Company's preferred shares. These bonds bear interest at 12% per annum payable in cash. Upon their mandatory conversion into preferred shares in 2016, they will be entitled to a preferred dividend providing an effective yield of 12% per annum payable in cash. In 2018, they will automatically be converted into common shares of the Company. Due to these characteristics, the USD 500 million cash consideration received was accounted for as follows:

- an equity contribution of USD 221 million (USD 219 million net of issuance costs),
- an increase of the financial debt amounting to USD 279 million (USD 276 million net of issuance costs) corresponding to the net present value of the mandatory coupon and dividend stream payable during the 7 years until the conversion of the bonds into Company's common shares.

Bonds mandatory redeemable in common shares constitute dilutive instruments. Dilutive instruments which lead to a reduction in the loss per share based on the number of shares outstanding are not taken into account in the calculation of diluted earnings per share. Therefore, in 2011, the basic and diluted earnings per share are the same.

Merit Corporation, the Company's shareholder, had an option to call a further USD 250 million in cash from Yildirim in exchange for bonds redeemable in the Company's shares under the same financial conditions as described above. This option has been exercised on January 25, 2012.

As a minority shareholder, Yildirim has representatives on the Board of Directors of the Company.

USD 945 million bond issue and early redemption of senior notes due in 2012 and 2013

On April 27, 2011, the Company raised USD 945 million (USD 927 million net of issuance costs) through the sale of unsecured bonds with the following characteristics:

- 475 million in dollar-denominated senior notes with an interest rate of 8.5%, which are due to mature in 2017; and
- 325 million in euro-denominated notes with an interest rate of 8.875% due 2019.

Proceeds from the issuance of these bonds were used in July 2011 for the early redemption of the Company's senior notes due in 2012 and 2013 for an amount of USD 552 million, including early redemption premium amounting to USD 19 million presented within "other financial expense".

The Company carried out a partial repurchase of these bonds issued in April 2011 for a nominal amount of USD 130,818 thousand. These transactions resulted in a positive impact in the income statement within "Other financial income" for an amount of USD 72,232 thousand representing the difference between the nominal price of the bond at issuance and the repurchase value. The total consideration paid by the Company amounted to USD 58,586 thousand.

Delivery of vessels and refinancing of vessels delivered in 2011

The Company took delivery of 9 container vessels in the year, of which 6 were financed through bank debt and 3 under capital lease or similar arrangements. In addition, the Company refinanced 4 vessels already delivered in 2010 under capital leases or similar arrangements.

Sale of 50% share over Malta Freeport Terminals Limited

On June 30, 2011, the Company reached an agreement with Yildirim regarding the sale of 50% of its shareholding in Malta Freeport Terminals Limited for a cash amount of EUR 200 million (USD 289 million).

As a result of this transaction, the Company and Yildirim have joint control over the power to govern the financial and operating policies of Malta Freeport Terminal Limited so as to share benefits from its activities.

As the Company lost control of its subsidiary, it derecognized the assets and liabilities of Malta Freeport Terminals Limited at their carrying amounts at the date when control was lost and simultaneously recognized the 50% investment retained in the former subsidiary at its fair value.

As a result, the accounting effect of the transaction can be analyzed as follows at the balance sheet date:

Derecognition of Malta Freeport Terminal Ltd assets and liabilities	
Consideration received from Yildirim for 50% stake	**289,060**
Estimated fair value of Malta Freeport Terminal Ltd based on 100% stake (i)	**578,120**
Carrying amount of assets and liabilities at June 30, 2011	
Property, equipment and intangible assets	182,865
Other financial assets	(1,899)
Deferred tax assets	200,858
Working capital, net	42,564
Financial debt	(153,105)
Other liabilities and items of other comprehensive income	(675)
Total (ii)	**270,608**
Gain on disposal of Malta Freeport Terminal Ltd ((i)—(ii))	**307,512**
Recognition of 50% investment retained at fair value	289,060

Sale of 51% share over Compagnie du Ponant

On June 30, 2011, the Company sold 51% of its shareholding in Compagnie du Ponant and subsidiaries, which formed the cruising division of the Company, to a subsidiary of its ultimate parent company Merit Corporation. As part of the Company's financial restructuring plan, it committed not to increase its financial contribution to Compagnie du Ponant and to sell its majority shareholding. The Group previously held 90% of this subsidiary. Merit Corporation, the majority shareholder of the Company, contributed USD 130.7 million to Compagnie du Ponant, which allowed it to complete the financing for the acquisition of two previously ordered new cruise ships, and acquired 51% of the shares for a symbolic amount of 1 euro.

The accounting effect of the transaction can be analyzed as follows:

Derecognition of Compagnie du Ponant assets and liabilities	
Financing granted by Merit Corporation	**132,563**
Consideration received from Merit Corporation for 51% stake in Compagnie du Ponant	**1**
Estimated fair value of Compagnie du Ponant based on 100% stake (i)	**1**
Carrying amount of assets and liabilities at June 30, 2011	
Assets classified as held-for sale	432,020
Non-controlling interests	(2,617)
Financing granted by CMA CGM	(215,308)
Financing granted by Merit Corporation	(132,563)
Other assets and liabilities, net	(56,468)
Total (ii)	**25,064**
Loss on disposal of Compagnie du Ponant ((i)—(ii))	**(25,063)**
Recognition of 39% investment retained at fair value	1

The Company may acquire or may be required to purchase an additional 10% shareholding as part of a put and call option agreement. The Company will remain a minority shareholder of Compagnie du Ponant even if the call or the put is exercised.

Acquisition of Intramar and Intramar STS

Intramar and Intramar STS are companies which provide stevedoring services. In 2011, as part of the program of privatization of certain port activities in France, the companies acquired certain assets and assumed certain liabilities from the port authorities which resulted in an excess of net assets compared to the cash consideration paid. Subsequent to the privatization, the Company increased its shareholding in Intramar and Intramar STS from 50% to 100% during the fourth quarter of 2011. This resulted in a badwill of USD 9,028 thousand recorded in "Other operating items".

Acquisition of Intramar	
Cash consideration paid for the acquisition of the additional 50% of Intramar (i)	**nil**
Carrying value of the previously held 50% shareholding at transaction date (ii)	**3,500**
Cash acquired	**6,441**
Other assets and liabilities at the transaction date:	
Property, equipment and intangible assets	12,072
Other financial assets	11,719
Working capital, net	(4,184)
Financial debt	(7,412)
Provisions	(6,108)
Net assets acquired (iii)	**12,528**
Excess of net assets acquired over cash consideration and carrying value of previous shareholding (iii)—(ii)—(i)	**9,028**

The accompanying notes are part of these annual consolidated financial statements

5. Operating segments

For management purposes, the Group reports two operating segments: container shipping activity, which represents more than 90% of revenue, and other activities. As disclosed in Note 2.3, CMA CGM is organized as a worldwide container carrier, managing its customer base and fleet of vessels and containers on a global basis. As a result, assets, including goodwill, are not monitored by the Company according to geographic area. Other activities include container terminal operations and transport by rail, road and river.

Certain items are unallocated as management considers that they do not affect the ongoing operating performance of the Group. These include: the amortization of certain deferred transaction costs related to financing (Note 11), financial restructuring fees (Note 11), early termination cost related to hedge transactions (Note 12), interest on deferred payments due or paid to shipyards (Note 12), impairment of prepayments following the cancellation of certain vessel orders (Note 3.2), loss on the refinancing of certain vessels sold and chartered back (Note 3.2), and impairment losses on assets held-for-sale (Note 27).

Segment performance is evaluated by management based on the following measures:

- Revenue
- EBITDA
- Profit / (Loss) for the period

The segment information for the reportable segments for the year ended December 31, 2011 is as follows:

As at December 31, 2011 *in USD thousand*

Operational segments	**Revenue**	**EBITDA**	**Profit / (Loss) for the period**
Total container shipping segment	13,734,059	209,821	(414,640)
Other activities	1,135,534	223,501	135,918
Unallocated items	—	277,505	248,228
Total consolidated measures	**14,869,593**	**710,827**	**(30,494)**

The segment information for the reportable segments for the year ended 31 December 2010 is as follows:

As at December 31, 2010 *in USD thousand*

Operational segments	**Revenue**	**EBITDA**	**Profit / (Loss) for the period**
Total container shipping segment	13,215,294	2,329,747	1,806,120
Other activities	1,075,613	221,829	127,950
Unallocated items	—	(35,112)	(307,329)
Total consolidated measures	**14,290,907**	**2,516,464**	**1,626,741**

6. Operating expenses

Operating expenses are analyzed as follows:

	Year ended December 31,	
	2011	**2010**
Bunkers and consumables	(3,879,476)	(2,714,595)
Chartering and slots purchases	(1,937,490)	(1,597,141)
Handling and stevedoring	(3,194,252)	(2,762,145)
Transportation	(1,480,429)	(1,174,518)
Port and canal	(1,039,762)	(954,002)
Logistic	(1,056,732)	(863,696)
Employee benefits	(1,103,782)	(989,474)
General and administrative other than employee benefits	(628,938)	(609,058)
Additions to provisions, net of reversals and impairment ofinventories and trade receivables	(3,223)	4,001
Operating exchange gains / (losses), net	(46,449)	29,037
Other operating expenses	(184,886)	(148,575)
Operating expenses	**(14,555,419)**	**(11,780,166)**

The accompanying notes are part of these annual consolidated financial statements

The rise in operating expenses is mainly due to the growing volumes carried and the significant increase in fuel price of more than 20%.

7. Employee benefits

Employee benefit expenses are analyzed as follows:

	Year ended December 31,	
	2011	2010
Wages and salaries	(878,454)	(784,460)
Social security costs	(181,417)	(164,187)
Pension costs	(11,186)	(10,173)
Other expenses	(32,725)	(30,654)
Employee benefits	**(1,103,782)**	**(989,474)**

The number of employees (unaudited) of the Company is 16,161 as at December 31, 2011 (16,182 as at December 31, 2010).

8. Gains on disposal of property and equipment and subsidiaries

Gains on disposal of property and equipment and subsidiaries consist of the following:

	Year ended December 31, 2011	Year ended December 31, 2010
Disposal of vessels	9,954	135
Disposal of containers	103,810	—
Other fixed assets disposal	439	3,205
Disposal of subsidiaries (see Note 4)	282,449	2,383
Gains on disposal of property and equipment and subsidiaries	**396,652**	**5,723**

The Company sold certain containers through sale and operating lease back contracts resulting in:

- an increase in cash and cash equivalents amounting to USD 237 million; and
- a gain on disposal amounting to USD 104 million.

9. Other operating items

	Year ended December 31, 2011	Year ended December 31, 2010
Allowance / (reversal) on deposits	41,461	(27,719)
Allowance / (reversal) on provisions for indemnification of shipyards	8,250	—
Impairment of assets classified as held-for-sale	(5,588)	(22,702)
Excess of net assets over cash consideration paid (see note 4)	9,028	—
Other	(1,741)	(1,187)
Other operating items	**51,410**	**(51,608)**

Following the decision of the Company to terminate their obligation to complete the acquisition of two 3,600 TEUs newbuildings, a charge was recognized in 2009 corresponding to the impairment of the deposits made and an estimate of potential additional indemnifications payable to the shipyard. In 2011, Management decided to replace the two orders. As a result, the Company reversed the impairment accounted for in 2009 amounting to USD 41,461 thousand and an associated provision for indemnification of the shipyard for an amount of USD 7,970 thousand.

In 2010, the Company recorded an allow ance for certain payments made to the shipyards following the decision of the Company to terminate its obligation to complete the acquisition of four 3,600 TEUs vessels. These vessels were subsequently acquired by a shipowner and chartered back to the Company on a 8 year term.

In the third quarter of 2011, the Company recorded an impairment charge for an aircraft which was classified as available-for-sale. This aircraft was eventually sold in the fourth quarter of 2011.

In 2010, the impairment of assets classified as held-for-sale related to certain vessels and to the cruise activity of the Company.

10. NPV benefits related to assets

As disclosed in note 2, the Company recognizes the cost of building vessels as property and equipment, and the net present value ("NPV") of future lease payments as obligations under finance leases, the difference being amortized over the tax financing period. In 2011, 9 new vessels benefited from such financing compared to 12 in 2010.

11. Cost of net debt

Cost of net debt is analyzed as follows:

	Year ended December 31,	
	2011	**2010**
Interest income on cash and cash equivalents	18,400	4,238
Interest expense on financial debt	(316,894)	(221,169)
Financial cost related to debt restructuring	(16,740)	(79,126)
Interest rate and foreign currency financial derivatives	(49,532)	(41,872)
Foreign currency exchange gains / (losses) on financial debt	(66,056)	61,887
Cost of net debt	**(430,822)**	**(276,042)**

The increase in interest expense on financial debt is due to new interest rates margins implemented as part of the debt restructuring which took place in April 2011.

Foreign currency exchange gains / (losses) relate to realized exchange gains and losses on financial debt. The unrealized portion of such exchange gains and losses is presented within "Other financial items" (see Note 12).

The Company defers certain transaction costs related to debt financing obtained or in progress. Such transaction costs are amortized using the effective interest rate method. Following the breach of the covenants and as part of the debt restructuring, certain committed financing has been revised downwards. In 2010, a corresponding amount of USD 46,661 thousand of deferred transaction costs has been amortized in the income statement in 2010, proportionately to the revised amounts, and is presented within the line item "Financial cost related to debt restructuring". Within this line item, the Company also recognized certain paid or payable restructuring fees for an amount of USD 32,465 thousand. These fees are recognized as incurred when a contractual obligation exists at the balance sheet date.

In 2011, financial cost related to debt restructuring corresponds to part of waiver fees and restructuring fees that could not be amortized using the effective interest method.

12. Other financial items

Other financial items consist of the following:

	Year ended December 31,	
	2011	**2010**
Other financial items related to debt restructuring	33,400	(99,041)
Interests for deferred payments to shipyards	(63,947)	(44,571)
Change in fair value and settlement of derivative instruments that do not qualify to hedge accounting	(53,050)	(40,789)
Change in fair value of financial assets at fair value through profit and loss	(2,588)	3,755
Result from disposal of financial assets at fair value through profit and loss	(489)	(3,083)
Repurchase of bonds (see Note 4)	72,232	—
Foreign currency exchange gains / (losses) on financial operations	39,879	(13,458)
Other financial income and expense, net	(27,791)	(13,742)
Other financial items	**(2,354)**	**(210,929)**

Other financial items related to debt restructuring include in 2010 the best estimate of the early termination costs related to certain hedge transactions entered into to hedge future debt commitments and which became ineffective. In 2011, part of the estimation made at the end of 2010 has been reversed following the renegotiation of such transactions.

Certain payments to shipyards have been postponed, resulting in interest payable recorded as a financial expense.

Change in fair value and settlement of derivative instruments that do not qualify for hedge accounting reflects the volatility of fuel prices, currencies and interest rates during the periods.

13. Income tax

Income tax consists of the following:

	Year ended December 31, 2011	Year ended December 31, 2010
Current tax	(52,868)	(23,996)
Deferred tax	19,608	212
Income Taxes	**(33,260)**	**(23,784)**

Reconciliation of the income tax expense:	**Year ended December 31, 2011**	**Year ended December 31, 2010**
Profit / (Loss) before tax and share of profit (or loss) of the associates and joint ventures	9,212	1,667,700
Theoritical income tax (tax rate of 34,43%)	(3,172)	(574,189)
Income tax expense	(33,260)	(23,784)
Difference between theoritical and effective income tax	**(30,089)**	**550,405**
Tonnage tax regime resulting in a reduced effective income tax rate	(55,292)	546,276
Use or recognition of deferred tax assets previously unrecognized	4,155	3,314
Effect of different tax rates in foreign tax jurisdictions	2,235	35,112
Unrecognized tax losses generated by certain SPV not liable to tonnage tax	(30,657)	(111,656)
Other permanent differences including effect of exchange rate	49,470	77,359
Difference	**(30,089)**	**550,405**

14. Goodwill

Goodwill is analyzed as follows:

	As at December 31, 2011	As at December 31, 2010
Beginning of the year	**432,606**	**448,465**
Purchase price adjustment on previously recognized goodwill	—	(705)
Reclassification to “investment in associates”	(34,846)	—
Impairment	(342)	(814)
Foreign currency translation adjustment	(4,320)	(14,340)
At the end of the year	**393,098**	**432,606**

In 2011, USD 285,491 thousand correspond to goodwill related to container shipping operations (USD 321,467 thousand in 2010) and USD 95,690 thousand correspond to terminal operations (USD 99,872 thousand in 2010).

The assumptions used for the purposes of impairment tests are detailed in Note 2.3. As disclosed in this Note, as at December 31, 2011, no impairment loss was recognized on tests performed at cash generating unit level.

15. Other Intangible assets

Other intangible assets comprise software and costs capitalized as part of information system development projects and are analyzed as follows:

	Software			
	In use	In-progress	Others	Total
Cost of Other intangible assets				
As at January 1, 2010	**243,616**	**54,920**	**112,944**	**411,480**
Acquisitions	4,233	14,760	8,761	27,754
Disposals	(463)	—	(137)	(600)
Reclassification	20,437	(19,703)	(278)	456
Foreign currency translation adjustment	(444)	(35)	(4,883)	(5,362)
As at December 31, 2010	**267,379**	**49,942**	**116,407**	**433,728**
Acquisitions	3,177	24,586	342	28,105
IFRIC 12 adjustment	—	—	(9,159)	-9,159
Acquisitions of a subsidiary	1,059	2	—	1,061
Disposals	(402)	—	(179)	(581)
Disposals of a subsidiary	(1,077)	—	—	(1,077)
Reclassification	21,125	(20,335)	(113)	677
Foreign currency translation adjustment	(648)	(11)	(2,482)	(3,141)
As at December 31, 2011	**290,613**	**54,184**	**104,816**	**449,613**

Significant internal and external software development is required in the industry to ensure high quality systems. Costs capitalized as software mainly correspond to costs incurred for the in-house development of (i) shipping agency systems, implemented throughout the worldwide Group agency network, which address bookings, billings and transportation documentation, (ii) the operating system including logistical support and container tracking and (iii) the comprehensive ERP accounting and financial reporting system implemented within all Group shipping entities.

As at December 31, 2011, other intangible assets mainly include terminal concession rights recognized as intangible assets in accordance with IFRIC 12 for USD 63,899 thousand and USD 28,023 thousand recognized in connection with the disposal of certain vessels to Global Ship Lease Inc., a related party, where the attached charter agreements were contracted below market rates generating an intangible asset which is amortized over the duration of the related charter period.

Amortization of Other intangible assets is as follows:

	Software			
Amortization of Other intangible assets	In use	In-progress	Others	Total
As at January 1, 2010	**(95,680)**	**—**	**(8,251)**	**(103,931)**
Amortization	(36,005)	—	(4,998)	(41,003)
Disposals	463	—	137	600
Reclassification	(170)	—	22	(148)
Foreign currency translation adjustment	196	—	330	526
As at December 31, 2010	**(131,196)**	**—**	**(12,760)**	**(143,956)**
Amortization	(36,070)	—	(5,535)	(41,605)
Acquisitions of a subsidiary	(490)	—	—	(490)
Disposals	397	—	160	557
Disposals of a subsidiary	811	—	—	811
Reclassification	(139)	—	(71)	(210)
Foreign currency translation adjustment	319	—	528	847
As at December 31, 2011	**(166,368)**	**—**	**(17,678)**	**(184,046)**

	Software			
Net book value of Other intangible assets	In use	In-progress	Others	Total
As at December 31, 2011	**124,244**	**54,184**	**87,138**	**265,567**
As at December 31, 2010	**136,183**	**49,942**	**103,647**	**289,772**
As at January 1, 2010	**147,937**	**54,920**	**104,693**	**307,549**

16. Property and equipment

Property and equipment are analyzed as follows:

	As at December 31, 2011	As at December 31, 2010
Vessels		
Cost	7,182,984	6,224,255
Accumulated depreciation	(904,381)	(705,274)
	6,278,603	**5,518,981**
Containers		
Cost	1,172,734	1,417,147
Accumulated depreciation	(400,435)	(467,557)
	772,299	**949,590**
Land and buildings		
Cost	703,660	711,959
Accumulated depreciation	(65,940)	(42,690)
	637,720	**669,269**
Other property and equipment		
Cost	345,336	546,283
Accumulated depreciation	(152,536)	(182,132)
	192,800	**364,151**
Total		
Cost	**9,404,714**	**8,899,644**
Accumulated depreciation	**(1,523,292)**	**(1,397,653)**
Property and equipment	**7,881,422**	**7,501,991**

As at December 31, 2011, assets held under capital leases, tax lease agreements and other similar arrangements included in the above table represented a cost of USD 3,282,459 thousand (USD 3,133,895 thousand as at December 31, 2010) and an accumulated depreciation of USD 477,589 thousand (USD 513,728 thousand as at December 31, 2010).

Prepayments made to shipyards relating to vessels under construction are presented within “Vessels” and amount to USD 271,623 thousand as at December 31, 2011 (USD 574,348 thousand as at December 31, 2010).

As at December 31, 2011, the carrying amount of property and equipment held as collateral of financial debts amounts to USD 7,243 million (USD 6,498 million as at December 31, 2010).

Investment properties recognized at fair value amount to USD 16,959 thousand (USD 18,040 thousand as at December 31, 2010).

Variations in the cost of property and equipment for the year ended December 31, 2011 and the year ended December 31, 2010 are analyzed as follows:

	Vessels				Land and	Other property and	
Cost of Property and equipment	**Owned**	**Leased**	**In-progress**	**Containers**	**buildings**	**equipment**	**Total**
As at January 1, 2010	**2,015,619**	**2,192,318**	**1,244,741**	**1,421,814**	**684,393**	**437,918**	**7,996,803**
Acquisitions	4,143	513	1,118,687	23,824	102,592	65,886	1,315,645
Acquisitions of subsidiaries	(0)	—	—	(0)	366	32,256	32,621
Disposals	(1,909)	—	—	(28,790)	(85)	(8,335)	(39,118)
Revaluation	—	—	—	—	(1,294)	—	(1,294)
Reclassification to assets held-for-sale	(35,864)	(263,484)	—	—	—	—	(299,348)
Vessels put into service and exercise of purchase option	1,211,321	547,094	(1,758,415)	—	—	—	(0)
Other reclassification	5,952	0	(30,666)	—	(40,640)	45,096	(20,257)
Foreign currency translation adjustment	(7,054)	(18,742)	(0)	299	(33,373)	(26,538)	(85,408)
As at December 31, 2010	**3,192,208**	**2,457,699**	**574,348**	**1,417,147**	**711,959**	**546,283**	**8,899,644**
Acquisitions	16,341	2,094	998,721	14,401	21,909	50,493	1,103,959
Acquisitions of subsidiaries	—	—	—	—	1,465	25,650	27,115
Disposals	-33,018	-3,175	—	(258,679)	(247)	(32,185)	(327,304)
Disposals of subsidaries (See Note 4)	—	—	—	—	(0)	(247,475)	(247,475)
Adjustment linked to an agreement with shipyard	—	—	(4,179)	—	—	—	(4,179)
Reclassification from financial deposits	—	—	41,461	—	—	—	41,461
Reclassification to assets held-for-sale	—	(57,314)	—	—	(13,374)	—	(70,688)
Vessels put into service and exercise of purchase option	1,032,197	306,530	(1,338,727)	—	—	—	(0)
Other reclassification	(0)	(0)	0	6	576	2,023	2,605
Foreign currency translation adjustment	(1,571)	(631)	—	(142)	(18,628)	548	(20,424)
As at December 31, 2011	**4,206,157**	**2,705,203**	**271,624**	**1,172,734**	**703,660**	**345,336**	**9,404,714**

As at December 31, 2011 the Company operates 91 vessels owned or under finance lease or equivalent agreements (91 as at December 31, 2010). 11 vessels are under construction (16 as at December 31, 2010).

Purchases of property and equipment amounted to USD 1,103,959 thousand in 2011, of which USD 2,332 thousand were financed under capital leases or similar arrangements. Borrowing costs capitalized in 2011 amounted to USD 51,550 thousand (USD 730 thousand in 2010).

Variations in the accumulated depreciation for the year ended December 31, 2011 and the year ended December 31, 2010 are analyzed as follows:

Depreciation of Property and equipment	Vessels Owned	Vessels Leased	Vessels In-progress	Containers	Land and buildings	Other property and equipment	Total
As at January 1, 2010	**(298,999)**	**(271,649)**	**-**	**(400,548)**	**(35,735)**	**(150,655)**	**(1,157,586)**
Depreciation	(107,016)	(85,036)	—	(80,086)	(9,556)	(41,958)	(323,653)
Disposals	1,909	—	—	13,050	82	6,907	21,949
Impairment of vessels	(3,602)	(19,101)	—	—	—	—	(22,703)
Reclassification to assets held-for-sale	16,192	56,108	—	—	—	—	72,300
Exercise of purchase option and other reclassification	(29,674)	29,674	—	—	1,339	(2,846)	(1,507)
Foreign currency translation adjustment	1,634	4,286	—	27	1,180	6,420	13,547
As at December 31, 2010	**(419,556)**	**(285,718)**	**—**	**(467,557)**	**(42,690)**	**(182,132)**	**(1,397,653)**
Depreciation	(145,159)	(100,426)	—	(58,777)	(24,553)	(44,965)	(373,879.62)
Acquisitions of subsidiaries	—	—	—	—	(830)	(13,207)	(14,036.96)
Disposals	26,927	3,175	—	125,835	(23)	16,835	172,749.05
Disposals of subsidaries	—	—	—	—	(0)	71,736	71,735.91
Reclassification to assets held-for-sale	—	14,979	—	—	1,063	—	16,042.00
Exercise of purchase option and other reclassification	(98,159)	98,159	—	(6)	(830)	(2,262)	(3,097)
Foreign currency translation adjustment	833	564	—	69	1,923	1,459	4,848.31
As at December 31, 2011	**(635,114)**	**(269,267)**	**—**	**(400,435)**	**(65,940)**	**(152,536)**	**(1,523,292)**

The net book value of property and equipment at the opening and closing of each period presented are analyzed as follows:

Net book value of Property and equipment	Vessels Owned	Vessels Leased	Vessels In-progress	Containers	Land and buildings	Other property and equipment	Total
As at December 31, 2011	3,571,043	2,435,936	271,624	772,299	637,720	192,800	7,881,422
As at December 31, 2010	2,772,652	2,171,981	574,348	949,590	669,269	364,151	7,501,991
As at January 1, 2010	1,716,619	1,920,669	1,244,741	1,021,266	648,658	287,263	6,839,217

The net book value of the containers as at December 31, 2011 includes USD 326,183 thousand related to containers under finance leases (USD 401,535 thousand as at December 31, 2010).

17. Derivative financial instruments

Derivative financial instruments are analyzed as follows:

	As at December 31, 2011 Assets	As at December 31, 2011 Liabilities	As at December 31, 2010 Assets	As at December 31, 2010 Liabilities
Interest swaps—cash flow hedge	—	91,279	—	132,601
Interest swaps—not qualifying to hedge accounting	5,601	16,651	12,265	50,346
Bunker hedge—not qualifying to hedge accounting	8,351	48,272	52,619	99,551
Currency forward contracts	65	—	894	—
Total derivative financial instruments	**14,017**	**156,202**	**65,778**	**282,498**
of which non-current portion (over 1 year)	*7,312*	*58,937*	*17,852*	*180,168*
of which current portion (less 1 year)	*6,705*	*97,265*	*47,926*	*102,330*

18. Other financial assets

Other financial assets are analyzed as follows:

Other financial assets gross	Investements in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at January 1, 2010	**75,596**	**93,390**	**289,833**	**31,883**	**363,465**	**854,167**
Acquisitions	11,737	8,726	168,301	1,099	268	190,131
Acquisitions of subsidiaries	—	26	70	—	42	139
Transfer to investments in associates (See Note 18)	(9,960)	—	—	—	—	(9,960)
Disposals	(567)	(10,532)	(15,366)	(3,588)	(11)	(30,064)
Prepayments waived	—	—	—	—	(89,863)	(89,863)
Pension plan assets	—	—	—	—	(100)	(100)
Reclassification to / from other assets	(13,507)	21,300	(6,361)	(564)	(3,601)	(2,733)
Foreign currency translation adjustment	(429)	(3,375)	(1,327)	(1,845)	(113)	(7,090)
As at December 31, 2010	**62,870**	**109,535**	**435,150**	**26,984**	**270,088**	**904,627**
Acquisitions	12,951	1,812	48,716	50,280	52,830	166,589
Acquisitions of subsidiaries	292	1,085	7,244	—	1	8,622
Transfer to investments in associates	(6,923)	—	—	—	—	(6,923)
Loss of significant influence	—	—	—	1,995	—	1,995
Disposals	(797)	(10,647)	(179,782)	(2,813)	(159)	(194,198)
Disposals of subsidaries	(278)	(0)	(0)	—	—	(278)
Reclassification to assets held-for-sale	—	—	(3,347)	—	—	(3,347)
Prepayments waived	—	—	—	—	(91,255)	(91,255)
Reclassification to / from other assets	(0)	3,649	(9,199)	215,619	12,805	222,874
Foreign currency translation adjustment	(384)	(2,536)	(2,700)	(15,591)	(4,150)	(25,361)
As at December 31, 2011	**67,731**	**102,898**	**296,082**	**276,474**	**240,160**	**983,345**

As disclosed in Note 3, the Company:

- Reached an agreement in 2010 with a third party who took over its obligations related to 4 vessels in exchange for a time charter on those vessels. Consequently, the Company formally waived its rights to the related prepayments amounting to USD 89,863 thousand;
- Decided in 2011 to replace 2 orders for vessels under construction that had previously been cancelled at the request of the Company. As a result, the Company reversed the impairment charge corresponding to the related prepayments amounting to USD 41,461 thousand and reclassified such prepayments into property and equipment in progress;
- At the end of 2011, the Company was informed of a court decision regarding one vessel, confirming that the related prepayments were not recoverable. As the Company had fully depreciated these prepayments in previous years, this decision had no impact other than the netting of gross value and provision for USD 49,794 thousand.

Other financial assets impairment	Investements in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at January 1, 2010	**(3,149)**	**(66)**	—	—	**(307,449)**	**(310,664)**
Additions for the period	(3,159)	—	—	(3,705)	(374)	(7,238)
Prepayments previously provided for and waived during the period	628	—	—	—	89,842	90,470
Foreign currency translation adjustment	27	—	—	—	—	27
As at December 31, 2010	**(5,653)**	**(66)**	**—**	**(3,705)**	**(217,981)**	**(227,405)**
Additions for the year	(3,300)	(47)	—	—	(2,208)	(5,555)
Acquisitions of subsidiaries	(19)	(447)	—	—	—	(466)
Reversals during the year	35	37	—	265	55,644	55,981
Prepayments previously provided for and waived during the year	—	—	—	—	41,461	41,461
Reclassification	—	—	—	—	374	374
Foreign currency translation adjustment	38	29	—	—	—	67
As at December 31, 2011	**(8,899)**	**(494)**	**—**	**(3,440)**	**(122,710)**	**(135,543)**

Net book value of Other financial assets	Investements in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at December 31, 2011	58,832	102,404	296,082	273,034	117,450	**847,802**
As at December 31, 2010	57,217	109,469	435,150	23,279	52,107	**677,222**
As at January 1, 2010	72,447	93,324	289,833	31,883	56,016	**543,503**

Included in “Loans” are mainly loans granted to associates and joint ventures.

Included in “Deposits” are:

- USD 125 million of cash in escrow accounts paid in accordance with certain loan-to-value provisions in financing agreements. Certain agreements set out that a cash deposit is required when the loan to fair market value ratio of a vessel as estimated by independent brokers is above a certain level; and
- USD 76 million of cash deposits which do not qualify as cash available, mainly as a result of certain foreign exchange restrictions. The Company believes that it will be able to use this cash in the normal course of its operations in the foreseeable future.

Change in deposits is presented within “Variation in other long-term investments” in the consolidated cash flow statement.

“Receivables from associates” includes mainly USD 204 million related to a receivable from “Compagnie du Ponant” which became an associate following the transaction disclosed in Note 4. Other receivables concern other associates and joint ventures.

“Other financial assets” include:

- USD 48,000 thousand related to preferred shares of Global Ship Lease, Inc. which bear interest at Libor 3M plus 2% and which CMA CGM has accepted to hold until November 2016; and
- USD 55 million of financial deposit representing the tax advantage to be received at the end of lease term.

19. Classification of financial assets and liabilities

Set out below is a breakdown by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements:

	As at December 31, 2011	Loans and receivables	Available for sale	Financial assets & liabilities at fair value through profit and loss	Derivative instruments
Assets					
Derivative financial instruments—non current portion-	7,312	—	—	—	7,312
Other financial assets	847,802	788,970	58,832	—	—
Trade and other receivables	2,103,808	2,103,808	—	—	—
Derivative financial instruments—current portion-	6,705	—	—	—	6,705
Financial assets at fair value through profit & loss	18,230	—	—	18,230	—
Cash and cash equivalent	857,117	857,117	—	—	—
Total financial instruments—Assets	**3,840,974**	**3,749,895**	**58,832**	**18,230**	**14,017**

	As at December 31, 2011	Loans and receivables	Financial debt at amortized cost	Derivative instruments
Liabilities				
Financial debt—non-current portion-	4,956,513	—	4,956,513	—
Derivative financial instruments—non-current portion-	58,937	—	—	58,937
Financial debt -current portion-	1,151,381	146,900	1,004,481	—
Derivative financial instruments -current portion-	97,265	—	—	97,265
Trade and other payables	2,945,097	2,945,097	—	—
Total financial instruments—Liabilities	**9,209,194**	**3,091,997**	**5,960,994**	**156,202**

20. Investments in associates and joint ventures

Investments in associates and joint ventures are presented as follows:

	As at December 31, 2011	As at December 31, 2010
At the beginning of the year	**336,663**	**323,441**
Transfer from / to investments at cost or loss of control	278,686	9,960
Disposal	(0)	(14,123)
Capital increase	—	13,089
Share of (loss) / profit	24,378	10,108
Dividends received	(13,178)	(2,211)
Other comprehensive income	(1,519)	(135)
Reclassification from goodwill	34,846	—
Foreign currency translation adjustment	(34,976)	(3,466)
At the end of the year	**624,900**	**336,663**

Malta Freeport Corporation Limited

As disclosed in Note 4, the Company sold 50% of its shareholding in Malta Freeport Corporation Limited and recognized the 50% investment retained at fair value for an amount of USD 289,060 thousand.

Global Ship Lease

Global Ship Lease owns and charters out 17 vessels under long-term charters, all chartered to CMA CGM. 2 of the vessels have a remaining charter duration of less than 1 year, 15 are time chartered for remaining terms ranging from 5 to 14 years. As at December 31, 2011, the undiscounted time chart payable to Global Ship Lease corresponding to the 17 vessels represents an amount of USD 1,165 million. The carrying amount of the investment in associates which corresponds to the Company's shares in the net assets of Global Ship Lease of

44.72% is USD 169.9 million. Global Ship Lease is listed on the New York Stock Exchange and had a market capitalization of USD 99.2 million as at December 31, 2011. Based on cash flow projections taking into account the long term nature of the time charters secured by Global Ship Lease, management believes that no impairment charge is required.

Compagnie du Ponant

Compagnie du Ponant owns and operates 5 cruise vessels, 2 of which have been delivered in 2010 and 2011, generating certain start-up costs, additional financial expenses and unrealized exchange losses due to the variation between the US Dollar and the Euro. In 2011, the Company recognized its share in the loss for the year of Compagnie du Ponant. No impairment loss was recognized on the financing provided by the Company to Compagnie du Ponant amounting to USD 204.4 million based on the most recent business plan prepared by Compagnie du Ponant's management. The discount rate applied for the impairment test was 7.8%. The present value of future cash flows would equal the carrying amount of the amount due to CMA CGM if the discount rate had been increased by 1%.

As at December 31, 2011 the summarized financial statements of associates and joint ventures are as follows:

	Portsynergy	**Global Ship Lease, Inc ****	**Container Handling Zeebruge**	**CMA CGM Systems**	**OTHL (CLLC)**	**XIAMEN HXCT**	**Gemalink**	**Compagnie du Ponant**	**Malta Freeport Terminal**	**Malt Freepo Holdi**
% of shareholding as of December 31,2010	50.00%	44.72%	35.00%	50.00%	50.00%	20.00%	28.57%	39.00%	50.00%	50.0
Non-current assets	302,147	903,429	57,212	14,995	49,881	213,661	77,452	319,978	564,576	517,58
Current assets	109,828	50,692	15,401	51,141	6,563	7,823	27,833	17,341	86,090	—
Total Assets	**411,975**	**954,121**	**72,613**	**66,136**	**56,444**	**221,484**	**105,285**	**337,319**	**650,666**	**517,58**
Equity	100,428	323,231	18,355	24,871	4,846	111,722	102,328	(25,236)	521,490	517,58
Non-current liabilities	173,918	559,254	44,505	0	50,752	107,149	—	93,124	77,420	—
Current liabilities	137,629	71,636	9,753	41,265	846	2,613	2,957	269,431	51,756	—
Total Liabilities	**411,975**	**954,121**	**72,613**	**66,136**	**56,444**	**221,484**	**105,285**	**337,319**	**650,666**	**517,58**
Revenue	**299,033**	**116,554**	**42,727**	**155,197**	**2,112**	**655**	**—**	**57,081**	**70,286**	**—**
Profit for the year	**13,217**	**(1,789)**	**420**	**12,410**	**3**	**(4,010)**	**(967)**	**(27,206)**	**4,228**	**—**

** *As Global Ship Lease, Inc is a listed Company which has not yet published its year-end 2011 results, financial information as at September 30, 2011 are prese*

The accompanying notes are part of these annual consolidated financial statement

21. Deferred taxes

Deferred taxes components are as follows:

Deferred tax assets	As at December 31, 2011	As at December 31, 2010
Investment tax credit	2,244	182,545
Tax losses carried forward	51,475	39,467
Retirement benefit obligations	20,888	14,949
Other temporary differences	17,587	13,504
Total deferred tax assets	**92,194**	**250,465**

Deferred tax liabilities	As at December 31, 2011	As at December 31, 2010
Revaluation and depreciation of property and equipment	24,097	27,621
Undistributed profits from subsidiaries	15,526	10,687
Other temporary differences	1,527	932
Total deferred tax liabilities	**41,150**	**39,240**

Deferred tax assets related to the investment tax credit of Malta Freeport Terminals Ltd have been reversed in June 2011, due to the loss of control over this subsidiary (See Note 4).

Tax losses carried forward mainly relate to losses generated in the non shipping activities liable to corporate income tax in France. These tax losses are recognized only to the extent of the foreseeable taxable profit generated in these activities and the level of the corresponding deferred tax liability. Unused tax losses whose recovery within a reasonable timeframe is considered less than likely are not recognized in the balance sheet and represented USD 568,192 thousand as at December 31, 2011 (USD 475,112 thousand in 2010), representing an unrecognized deferred tax asset of USD 184,502 thousand in 2011 (USD 153,510 thousand in 2010).

Amounts of taxes recognized directly within other comprehensive income are as follows:

	Year ended December 31, 2011			Year ended December 31, 2010		
Other Comprehensive Income	**Before-tax amount**	**Tax**	**Net-of-tax amount**	**Before-tax amount**	**Tax**	**Net-of-tax amount**
Profit / (Loss) for the year	**33,589**	**(33,260)**	**329**	**1,677,809**	**(23,784)**	**1,654,025**
Other comprehensive income:						
Cash flow hedges	98,447	—	98,447	(94,290)	—	(94,290)
Gains on property revaluation	—	—	—	(1,054)	(358)	(1,412)
Actuarial gains (losses) on defined benefit pension plans	(13,095)	5,781	(7,314)	(3,051)	529	(2,522)
Available-for-sale financial assets	—	—	—	—	—	—
Share of other comprehensive income of associates	(1,529)	—	(1,529)	(135)	—	(135)
Exchange differences on translating foreign operations	(28,340)	—	(28,340)	(49,273)	—	(49,273)
Other comprehensive income for the year, net of tax	55,483	5,781	61,264	(147,803)	171	(147,632)
Total comprehensive income for the year	**89,072**	**(27,479)**	**61,593**	**1,530,006**	**(23,613)**	**1,506,393**

22. Inventories

Inventories are detailed below:

	As at December 31, 2011	As at December 31, 2010
Bunkers	476,965	362,057
Lube oil	19,755	18,826
On land	19,844	22,266
Aboard	4,559	4,463
Provision for obsolescence	(1,466)	(2,586)
Inventories	**519,657**	**405,026**

The accompanying notes are part of these annual consolidated financial statements

23. Trade and other receivables and payables

Trade and other receivables are analyzed as follows:

	As at December 31, 2011	As at December 31, 2010
Trade receivables	1,578,356	1,629,950
Less impairment of trade receivables	(62,266)	(52,905)
Trade receivables net	**1,516,090**	**1,577,045**
Prepayments	63,020	45,421
Other receivables net, including taxes	404,314	327,043
Employee, social and tax receivables	120,384	82,140
Trade and other receivables	**2,103,808**	**2,031,649**

Movements in the impairment of trade receivables are as follows:

	Year ended December 31, 2011	2010
Beginning of the year	(52,905)	(72,524)
Addition to impairment of receivables	(25,448)	(27,759)
Reversal of impairment of receivables	19,283	46,266
Foreign currency translation adjustment	(3,196)	1,112
End of the year	**(62,266)**	**(52,905)**

Trade and other payables are analyzed as follows:

	As at December 31, 2011	As at December 31, 2010
Trade payables	1,145,085	971,444
Accruals for port call expenses, transportation costs, handling services and other payables	1,609,226	1,406,565
Employee, social and tax payables	190,786	194,858
Trade and other payables	**2,945,097**	**2,572,867**

Other payables include an amount of USD 63,268 thousand owed to Merit Corporation, a related party (USD 53,674 thousand in 2010). This payable bears interest at 4% per annum. It corresponds to dividends declared by the Company in 2007 and 2008 but which have not yet been paid.

Trade receivables aging and payables mature as follows:

	As at December 31, 2011	Not yet due	0 to 30 days	30 to 60 days	60 to 90 days	90 to 120 days	Over 120 days
Trade and other receivables	**2,103,808**	1,513,440	380,989	106,348	31,067	32,902	39,062
Trade and other payables	**2,945,097**	2,305,097	279,271	136,534	72,847	36,097	115,251

24. Financial assets at fair value through Profit and Loss

Financial assets at fair value through profit and loss include the following:

	As at December 31, 2011	As at December 31, 2010
Equity stocks	12,011	25,213
Monetary securities	5,994	3,060
Other	225	266
Financial assets at fair value through profit & loss	**18,230**	**28,539**

The accompanying notes are part of these annual consolidated financial statements

25. Cash and cash equivalents

Cash and cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

	As at December 31, 2011	As at December 31, 2010
Cash and cash equivalents	857,117	538,688
Bank overdrafts	(146,900)	(32,279)
Net cash and cash equivalents as per Balance Sheet	**710,217**	**506,409**

Included in Cash and cash equivalents are margin calls related to the Company's derivative financial instruments amounting to USD 97,835 thousand as at December 31, 2011 (USD 50,680 thousand as at December 31, 2010). These amounts are called periodically by financial counterparts in accordance with the Company's standard International Swaps and Derivatives Association (ISDA) agreements. The corresponding financial derivative instruments have been marked-to-market as presented in note 17.

26. Prepaid expenses and deferred income

Prepaid expenses, which include voyages in progress at year-end, amount to USD 285,809 thousand compared to USD 236,168 thousand in 2010. Deferred income which includes the same voyages in progress, amounts to USD 646,183 thousand compared to USD 588,589 thousand in 2010.

27. Non-current assets held-for-sale and related liabilities

The assets and liabilities classified as held-for-sale are as follows:

	As at December 31, 2011	As at December 31, 2010
Goodwill	—	3,459
Vessels	40,886	439,228
Buildings	12,311	—
Other intangible assets	—	522
Other tangible assets	—	76
Financial assets	3,233	92
Working capital and other assets	—	29,706
Assets classified as held-for-sale	**56,430**	**473,083**

	As at December 31, 2011	As at December 31, 2010
Financial debt	21,982	283,467
Other liabilities	7,290	51,560
Liabilities associated to assets classified as held-for-sale	**29,272**	**335,027**

As at December 31, 2010, assets held for sale and associated liabilities mainly related to the cruise activity of the Group carried out by Compagnie du Ponant and its subsidiaries and to three 5,100 TEU container vessels and four 937 TEU container vessels, including their associated financial debt, which the Company had decided to dispose of during the year.

The gain related to the disposal of non-current assets and liabilities previously recognized as held-for-sale and disposed of during 2011 amounted to USD 13,102 thousand (USD 1,674 thousand in 2010) and is presented in "Gains / (Losses) on disposal of property and equipment and subsidiaries". The sale of these assets resulted in 2011 in a cash inflow amounting to USD 183,614 thousand.

As at December 31, 2011, assets held for sale and associated liabilities relates to one 5,800 TEU vessel sold for USD 41 million in January 2012 and a building located in the U.S., sold in February 2012 for USD 15 million and subsequently leased back.

Included in "Liabilities associated with assets held for sale" are USD 29 million corresponding to the financial debt of the vessel which has been repaid.

28. Other reserves

Other reserves break down as follows:

	Year ended December 31, 2011	Year ended December 31, 2010
Cash flow hedge	(82,598)	(181,045)
Gains on property revaluation	(0)	57,620
Actuarial gains (losses) on defined benefit pension plans	(7,151)	5,642
Available-for-sale financial assets	(1,052)	(1,052)
Share of other comprehensive income of associates	(2,540)	(1,012)
Deferred tax on reserve	13,595	(6,768)
Other reserves	**(79,746)**	**(126,615)**

The decrease of USD 57,339 thousand and the related negative deferred tax amount of USD 14,674 thousand are explained by the reclassification of the revaluation of assets into retained earnings. This represents a net amount of USD 42,946 thousand.

29. Financial debts

Financial debts are presented below and include bank overdrafts, long-term bank borrowings, finance leases and similar arrangements and have the following maturities:

	As at December 31, 2011	Reimbursement date : December 31,					
		2012	2013	2014	2015	2016	Onwards
Senior Note	934,653	22,041	54,152	25,241	25,385	25,528	782,306
Redeemable Bonds	251,403	29,718	33,685	37,970	42,801	48,206	59,023
Bank debt	2,650,741	304,465	763,456	203,792	200,673	199,454	978,901
Obligations under finance leases	1,420,855	211,224	153,086	130,366	238,784	265,074	422,319
Bank overdrafts	146,900	146,900	—	—	—	—	—
Other financial debts	703,342	437,033	49,043	44,942	65,179	5,338	101,807
Total	**6,107,894**	**1,151,381**	**1,053,422**	**442,311**	**572,822**	**543,600**	**2,344,356**

Included in current financial debt are the following specific liabilities that have to be presented as current but are not actually to be repaid in 2012:

- A debt related to the securitization program amounting to USD 311 million which is a revolving facility;
- Accrued interests amounting to USD 64 million.

Variations in financial debts can be analyzed as follows:

	Senior Note	Redeemable Bonds	Bank debt	Obligation under finance lease	Bank overdrafts	Other financial debt	Total
Balance as of January 1, 2011	**713,571**	**—**	**2,668,331**	**1,414,309**	**32,279**	**762,177**	**5,590,667**
Proceeds from new financial debt, net of issuance costs	926,527	276,289	327,830	425,494	—	5,339	1,961,478
Vendor loans from shipyards	—	—	—	—	—	60,000	60,000
Repayment of financial indebtedness, net of proceeds from refinancing	(694,439)	(25,012)	(495,152)	—	116,872	(88,390)	(1,186,121)
Principal repayments on obligations under finance leases	—	—	—	(211,439)	—	—	(211,439)
Accrued interests	2,100	126	6,090	10,365	—	35,714	54,394
Refinancing of assets	—	—	254,511	(192,511)	—	(62,000)	—
Reclassification to liabilities associated with assets held for sale	—	—	—	(22,617)	—	(144)	(22,761)
Reclassification from / to other assets	(64)	—	2,445	—	(2,445)	71	7
Acquisition (disposal) of subsidiaries	—	—	(97,899)	—	134	1,738	(96,028)
Foreign currency translation adjustments	(13,042)	—	(15,415)	(2,746)	60	(11,163)	(42,305)
Balance as at December 31, 2011	**934,653**	**251,403**	**2,650,741**	**1,420,855**	**146,900**	**703,342**	**6,107,894**

Financial debts and related interest rates have the following characteristics:

Financing	Senior Note	Redeemables Bonds	Bank debt	Obligations under finance leases	Other financial debt and overdrafts	Interest rates (Average)
Vessels	155,452	—	1,377,349	1,231,833	164,000	5.22%
Containers	—	—	285,956	159,928	—	4.18%
Land and buildings	—	—	273,330	12,194	—	2.83%
Handling	—	—	50,333	16,107	—	5.65%
Other tangible assets	—	—	29,343	793	—	4.13%
Other	779,201	251,403	634,430	—	686,242	6.60%
Total	**934,653**	**251,403**	**2,650,741**	**1,420,855**	**850,242**	

Financial cash-flows on debts including repayments of principal and financial interest have the following maturities. As required by IFRS 7, these cash-flows are not discounted:

	As at December 31, 2011	Reimbursement date : December 31,					
		2012	2013	2014	2015	2016	Onwards
Senior Note	1,303,928	83,720	110,884	78,893	77,478	76,060	876,893
Redeemable Bonds	364,685	60,000	60,000	60,000	60,000	60,000	64,685
Bank debt	3,137,959	428,758	842,695	268,890	256,246	245,847	1,095,523
Obligations under finance leases	1,867,409	308,348	235,634	203,753	311,026	308,246	500,402
Bank overdrafts	148,975	148,975	—	—	—	—	—
Other financial debts	866,634	460,965	102,357	73,434	9,238	9,453	211,187
Total	**7,689,590**	**1,490,766**	**1,351,570**	**684,970**	**713,988**	**699,606**	**2,748,690**

30. Provisions and retirement benefit obligations

Provisions are analyzed as follows:

	Employee benefits	Litigation	Other risks and obligations	Total	*of which current portion*
As at January 1, 2010	**111,297**	**65,654**	**117,987**	**294,938**	***89,853***
Additions for the year	10,070	11,375	37,802	**59,247**	
Reversals during the year (unused)	(383)	(2,614)	(1,499)	**(4,496)**	
Reversals during the year (used)	(8,416)	(5,774)	(16,703)	**(30,893)**	
Reclassification to / from other liabilities	301	(1)	(30,092)	**(29,791)**	
Pension plan assets	(100)	—	—	**(100)**	
Actuarial gain / loss recognized in the OCI	3,051	—	—	**3,051**	
Foreign currency translation adjustment	(2,745)	(603)	(856)	**(4,204)**	
As at December 31, 2010	**113,075**	**68,038**	**106,638**	**287,751**	***96,338***
Additions for the year	10,339	37,520	10,351	**58,210**	
Reversals during the year (unused)	13	(31,381)	(21,404)	**(52,772)**	
Reversals during the year (used)	(10,976)	(8,875)	(42,723)	**(62,574)**	
Acquisition (disposal) of subsidiaries	2,626	1,941	—	**4,567**	
Reclassification to / from other liabilities	96	(1,053)	2,370	**1,413**	
Actuarial gain / loss recognized in the OCI	13,096	—	—	**13,096**	
Foreign currency translation adjustment	(2,868)	(156)	(772)	**(3,796)**	
As at December 31, 2011	**125,401**	**66,033**	**54,461**	**245,895**	***21,336***

Litigations

Except for a provision of USD 25 million related to a litigation with a shipowner for the construction of 3 vessels, litigations principally include cargo related and other claims incurred in the normal course of business.

Other risks and obligations

Other risks and obligations mainly include risks related to vessel order cancellations amounting to USD 32,050 thousand as at December 31, 2011 (USD 81,627 thousand in 2010).

Employee benefits

Amounts in the balance sheet are as follows:

	As at December 31, 2011	As at December 31, 2010
Liabilities	(125,401)	(113,075)
Liabilities associated with assets held for sale	—	(242)
Net liability	**(125,401)**	**(113,317)**

The amounts recognized in the balance sheet are determined as follows:

	As at December 31, 2011	As at December 31, 2010
Present value of unfunded obligations	(122,792)	(107,685)
Present value of funded obligations	(27,010)	(24,823)
Fair value of plan assets	20,781	20,170
Net present value of obligations	**(129,021)**	**(112,338)**
Unrecognized past service cost	3,620	(979)
Net liability	**(125,401)**	**(113,317)**

Variations in the defined benefit obligations over the year are as follows:

	As at December 31, 2011	As at December 31, 2010
Beginning of year	**132,508**	**125,044**
Plan amendment—past service cost	4,839	2,863
Service cost	6,512	2,911
Interest cost	5,676	5,665
Actuarial losses/(gains)	14,083	4,825
Benefits paid	(9,584)	(7,792)
Employee contributions	311	247
Acquisition / disposal of subsidiaries and other	2,402	961
Plan curtailments	(3,391)	(368)
Exchange differences	(3,554)	(1,848)
End of year	**149,802**	**132,508**

Plan assets relate exclusively to the pension plan implemented for Group employees in Australia. They vary as follows:

	As at December 31, 2011	As at December 31, 2010
Beginning of year	**20,170**	**16,817**
Expected return on plan assets	766	1,140
Actuarial (losses)/gains	(1,484)	581
Benefits paid	(8,040)	(7,345)
Employer contributions	9,431	7,969
Employee contributions	311	247
Exchange differences	(373)	761
End of the year	**20,781**	**20,170**

The accumulated actuarial gain recognized in other comprehensive income amounts to USD (6 365) thousand as at December 31, 2011 (accumulated actuarial gain of USD 6,399 thousand as at December 31, 2010).

The amounts recognized in the income statement are as follows:

	As at December 31, 2011	As at December 31, 2010
Current service cost	6,512	2,911
Interest cost	5,676	5,665
Expected return on plan assets	(766)	(1,140)
Past service cost amortization	(76)	1,442
(Gains) / Losses amortization	2,491	1,192
Curtailment/Settlement	(3,498)	—
Benefit expense recognized in the income statement	**10,339**	**10,070**

The Group contributed USD 7,182 thousand to its defined contribution plans in 2011. The Group expects to contribute USD 6,876 thousand to its defined benefit pension plans in 2012. Amortization of actuarial gains / losses mainly relates to a short-term plan operated in Australia.

The defined benefit obligation, the plan assets and the accumulated actuarial gains and losses for the current year and previous four periods are as follows:

				Actuarial (Gains) and Losses	
	Defined Benefit Obligation	Plan Assets	Funded Status	On Defined Benefit Obligation	On Plan Assets
As at December 31, 2006	81,335	12,616	(68,719)	(6,519)	1,022
As at December 31, 2007	100,770	16,296	(84,474)	(5,006)	1,085
As at December 31, 2008	110,249	11,821	(98,427)	(9,348)	(5,386)
As at December 31, 2009	125,044	16,817	(108,227)	1,855	(180)
As at December 31, 2010	132,508	20,170	(112,338)	4,825	581
As at December 31, 2011	149,802	20,781	(129,021)	14,358	(1,484)

The actuarial assumptions used for the principal countries representing a significant proportion of obligations were as follows:

	As at December 31, 2011			As at December 31, 2010		
	Euro Zone	Morocco	Australia	Euro Zone	Morocco	Australia
Discount rate	4.78%	4.50%	3.61%	4.54%	4.50%	4.88%
Expected return on plan assets	4.88%	n.a.	7.00%	4.67%	n.a.	7.00%
Future salary increase	2.90%	2.50%	4.00%	3.27%	2.50%	4.50%
Long-term growth rate	2.00%	2.00%	n.a.	2.00%	2.00%	n.a.

31. Commitments

31.1 Commitments on vessels and containers

Vessels and containers operated under time charters which qualify as operating leases

As at December 31, 2011 the Company operates 303 vessels under time charters (306 as at December 31, 2010).

The due dates of leases payable for vessels delivered or to be delivered under time charters at balance sheet date can be analysed as follows:

	Total	**Less 1 year**	**1 to 5 years**	**6 to 10 years**	**Over 10 years**
Vessels under time charts payments as of December 31, 2011	**5,896,980**	1,017,387	3,081,669	1,686,366	111,558
Vessels under time charts payments as of December 31, 2010	**6,802,703**	1,102,825	3,444,871	1,968,925	286,082

This table includes commitments to Global Ship Lease Inc., a related party, for an amount of USD 1,165 million as at December 31, 2011 (USD 1,321 million as at December 31, 2010).

The figures above correspond to the amounts payable to ship-owners and include both the cost of the bareboat and the running costs. The cost of the bareboat represents on average approximately 77% of the total time charter payments.

In certain cases, the Group may benefit from non-bargain purchase options to acquire the vessel at the end of the lease term.

The due dates of container operating leases held at balance sheet date can be analyzed as follows:

	Total	**Less 1 year**	**1 to 5 years**	**6 to 10 years**	**Over 10 years**
Containers under time charts payments as of December 31, 2011	**2,283,097**	434,972	1,257,345	553,403	37,376
Containers under time charts payments as of December 31, 2010	**1,557,692**	316,701	848,100	368,350	24,541

This table includes commitments to Investment and Financing Corp. Ltd., a related party, amounting to USD 188,023 million as at December 31, 2011.

The total amount of operating lease payments related to the vessels and containers was USD 1,985 million in 2011 (USD 1,683 million in 2010).

Commitments related to vessels under construction

As at December 31, 2011, 11 vessels were under construction at different shipyards (16 as at December 31, 2010). The delivery of these vessels will be spread over the next 3 years. The contractual commitments related to the construction of these vessels can be analysed as follows:

	2011		2010	
	Units	in thousand U.S. Dollars	Units	in thousand U.S. Dollars
As at January 1	**16**	**2,215,427**	**29**	**4,107,446**
Vessels delivered	(10)	(1,408,389)	(13)	(1,880,301)
Vessels enlargment		52,500		
re-order	5	692,160	—	—
Exchange differences		—	—	(11,718)
As at December 31	**11**	**1,551,698**	**16**	**2,215,427**

The Company is still under negotiation with shipyards regarding 5 vessels included in the above table.

Net of prepayments made by the Group, the outstanding obligation related to the vessels under construction amounts to USD 1.239 million as at December 31, 2011 (USD 1,595 million as at December 31, 2010).

The performance guarantees received from shipyard's banks on vessels under construction amounts to USD 914 million as at December 31, 2011 (USD 1,548 thousand as at December 31, 2010).

31.2 Commitments relating to concession fees

The Company carries out certain handling activities under long-term concession arrangements with governmental bodies. Future minimum payments under these arrangements amount to USD 327,096 thousand as at December 31, 2011 (USD 587,107 thousand as at December 31, 2010). The significant decrease is highly due to the loss of control over Malta Freeport, as disclosed in Note 4.

31.3 Other Financial Commitments

Other financial commitments primarily relate to the following:

—Financial Commitments given

	As at December 31, 2011	As at December 31, 2010
Bank guarantees	78,957	78,677
Guarantees on terminal financing	133,134	335,376
Customs guarantees	11,732	15,820
Charter hire commitments	5,141	12,084
Port authorities and administration	3,323	3,660
Office rented guarantees	1,879	3,834
Others garanties granted for fixed assets	20,562	36,678
Mortgage on share of associates	83,384	280,714
Pledge	256,424	40,604
Other	293,070	21,560

As at December 31, 2011, the Company has transferred USD 640,401 thousand of trade receivables as collateral under a securitization program (USD 761,919 thousand as at December 31, 2010).

The Company has also granted certain put options to owners of non-controlling interests. These put options are not disclosed for confidentiality reasons and are assessed as immaterial at Group level.

—Financial Commitments received

	As at December 31, 2011	As at December 31, 2010
Guarantees received from independent shipping agents	1,170	4,871
Guarantees received from customers	2,554	1,870
Other financial commitments received	19,498	46,780

The accompanying notes are part of these annual consolidated financial statements

The Company has a right to transfer a further USD 245,841 thousand of trade receivables under the Company's securitization program.

32. Related party transactions

For the purposes of this note, the following related parties have been identified:

- Merit Corporation, incorporated in Lebanon, whose ultimate shareholders are Jacques R. Saadé and members of his immediate family, which owns approximately 97% of the share capital of the Company. As disclosed in Note 4, the Company sold 51% of its shareholding in Compagnie du Ponant and subsidiaries, which formed the cruising division of the Company, to a subsidiary of its ultimate parent company Merit Corporation.
- Yildirim, incorporated in Turkey, is a Company with whom the Company finalized 2 significant transactions in 2011 regarding the issuance of bonds mandatorily redeemable in the Company's preferred shares and an agreement regarding the sale of 50% of its shareholding in Malta Freeport Terminals Limited for a cash amount of EUR 200 million (USD 289 million). Both transactions are disclosed in Note 4.
- Certain subsidiaries of Merit Corporation, including Merit SAL, a service company providing CMA CGM with cost and revenue control and internal audit support, CMA Liban, a shipping agent and Investment and Financing Corp. Ltd, a container leasing company.
- Joint ventures and associates in which CMA CGM has a stake, including:
  - CMA CGM Systems ("CCS"), a joint venture with IBM, whose object is to manage the development of business software and to provide IT support to the Group.
  - Global Ship Lease, Inc. a ship-owner listed in the U.S. currently owning a fleet of 17 vessels all time chartered to CMA CGM under agreements ranging from 1 to 14 years.
  - Malta Freeport Terminals Limited (MFTL) and MFTL Holding
  - Compagnie du Ponant
  - INTTRA, a company whose activity is to develop e-commerce in the container shipping industry.
  - Certain shipping agents: COMAG Italy, Gemartrans, Vietnam Ltd, CMA CGM Korea and CMA CGM Dubai.
  - Certain container terminals: Odessa Terminal HoldCo Ltd. and Antwerp Gateway NV.
  - A not for profit foundation "Fondation d'Entreprise CMA CGM" which promotes certain cultural activities.

The related party transactions can be analysed as follows:

		As at December 31, 2011	As at December 31, 2010	As at December 31, 2009
Operating income	***of which :***	**13,137**	**5,847**	**8,245**
	CCS	*3,321*	*2,041*	*3,442*
	CMA CGM LIBAN	*1,502*	—	*2,334*
	COMAG	*2,021*	*1,494*	*722*
	GLOBAL SHIP LEASE	*(343)*	*(310)*	*(280)*
	COMPAGNIE DU PONANT	*382*	—	—
	MALTA FREEPORT TERMINAL LTD	*3,000*	—	—
Operating expenses	***of which :***	**(363,989)**	**(309,538)**	**(300,873)**
	CCS	*(119,058)*	*(126,117)*	*(128,280)*
	GLOBAL SHIP LEASE	*(156,539)*	*(161,438)*	*(148,017)*
	INTTRA	*(14,788)*	*(8,388)*	*(9,243)*
	COMAG	*(3,273)*	*(2,183)*	*(2,281)*
	FONDATION ENTREPRISE CMA CGM	*2*	*1*	*2*
	CMA CGM LIBAN	*(810)*	—	*(1,909)*
	INVESTMENT & FINANCING CORP. Lt	*(23,418)*	*(4,000)*	—
	MERIT CORPORATION	*(2,945)*	*(5,200)*	—
	COMPAGNIE DU PONANT	*(4)*	—	—
	MALTA FREEPORT TERMINAL LTD	*(36,623)*	—	—
	CMA CGM MANAGEMENT INTL SERVI	*(3,530)*	—	—
Financial income	***of which :***	**37,887**	**23,529**	**17,861**
	CCS	*4,296*	*8,795*	*10,186*
	CMA CGM LIBAN	*208*	—	*144*
	GLOBAL SHIP LEASE	*2,147*	*2,295*	*2,572*
	ODESSA Terminal Holdco Ltd	*1,890*	*1,779*	*1,975*
	ANTWERP GATEWAY NV	*397*	*122*	*742*
	CMA CGM KOREA	*2,106*	—	—
	COMPAGNIE DU PONANT	*10,827*	—	—
	MALTA FREEPORT TERMINAL LTD	*9,251*	—	—
	MERIT CORPORATION	*1,723*	—	—
Financial expenses	***of which :***	**(88,200)**	**(22,779)**	**(19,474)**
	CCS	*(1,980)*	*(4,006)*	*(11,508)*
	CMA CGM LIBAN	*(161)*	—	*(80)*
	GLOBAL SHIP LEASE	*(1,158)*	*(1,024)*	*(1,157)*
	ANTWERP GATEWAY NV	*(204)*	*(6,981)*	*(27)*
	MERIT CORPORATION	*(3,110)*	*(2,096)*	*(1,137)*
	COMPAGNIE DU PONANT	*(30,812)*	—	—
	MALTA FREEPORT TERMINAL LTD	*(2,792)*	—	—
	MALTA FREEPORT TERMINAL LTD HO	*(15,808)*	—	—
	YILDIRIM	*(30,511)*	—	—

The balance sheet positions corresponding to the related parties listed above are:

	Non Current assets			Current assets			Non Current Assets Held for sale		Non Current li	
	As at December 31, 2011	As at December 31, 2010	As at December 31, 2009	As at December 31, 2011	As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009	As at December 31, 2011	As at December 2010
CCS	*33,716*	*33,716*	*40,362*	—	—	*232*	—	—	—	—
COMAG	—	—	*8*	*4,573*	*2,501*	*2,481*	—	—	—	—
INTTRA	—	—	*1,362*	—	*3*	—	—	—	—	—
MERIT CORPORATION	*3,467*	*5,114*	—	—	—	—	—	—	—	—
CMA CGM LIBAN	—	—	*360*	*9,713*	—	*6,774*	—	—	—	—
FONDATION ENTREPRISE CMA CGM	—	—	—	*2*	*1*	*1*	—	—	—	—
GEMARTRANS	—	—	*29*	*1,913*	*1,913*	*1,913*	—	—	—	—
ODESSA Terminal Holdco Ltd	*44,214*	*40,349*	*45,302*	*7,181*	*9,256*	*904*	—	—	—	—
ANTWERP GATEWAY NV	*13,392*	*9,481*	*9,348*	*415*	*428*	*1,749*	—	—	—	—
GLOBAL SHIP LEASE	*70,170*	*72,287*	*74,404*	*1,842*	*767*	*838*	—	—	—	—
CONTAINER HANDLING ZEEBRUGGE NV	*7,589*	*10,447*	*10,084*	—	*229*	*838*	—	—	—	—
*NWS PORTS MANAGEMENT WENZHOU LTD**	—	—	—	—	—	—	—	*12,576*	—	—
INITIAL SUN LIMITED	—	—	—	—	—	*10,140*	—	—	—	—
GEOCOTON HOLDING SAS	—	—	—	—	*263*	*4,966*	—	—	—	—
COMPAGNIE DU PONANT	*204,432*	—	—	—	—	—	—	—	—	—
MALTA FREEPORT TERMINAL LTD	*51,700*	—	—	*40,717*	—	—	—	—	—	—
MALTA FREEPORT TERMINAL LTD HOLDING	*903*	—	—	—	—	—	—	—	—	—
YILDIRIM	—	—	—	—	—	—	—	—	*221,685*	
Other entites	*8,314*	*8,943*	*8,767*	*5,487*	*12,133*	*3,075*	*978*	*887*	*515*	*3,836*
Total balance sheet positions	**437,896**	**180,336**	**190,025**	**71,842**	**27,494**	**33,909**	**978**	**13,463**	**222,200**	**3,836**

* *Entity sold during 2010 period*

Included in current liabilities are the dividends declared and not yet paid to Merit amounting to USD 63,268 thousand.

Included in employee benefits are the key management compensations for a total amount of USD 3,153 thousand as at December 31, 2011 (USD 3,913 thousand as at December 31, 2010).

33. Scope of consolidation

As at December 31, 2011, the scope of consolidation comprises 235 companies or sub-groups. Subsidiaries included in the scope of consolidation are disclosed in the table below:

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM SA (parent company)	*France*		
SHIPPING ACTIVITY			
ACOMAR	*Morocco*	99.50%	Full
ANL CONTAINER LINE LTD	*Australia*	100.00%	Full
ANL SINGAPORE	*Australia*	100.00%	Full
ATLANTIC II	*France*	100.00%	Full
ATLAS NAVIGATION	*Morocco*	99.50%	Full
CHENG LIE NAVIGATION CO, LTD	*Taiwan*	99.08%	Full
CMA CGM ANTILLES GUYANE	*France*	100.00%	Full
CMA CGM INTERNATIONAL SHIPPING PTE. LTD	*Singapore*	100.00%	Full
CMA CGM LIBYA	*Libya*	79.84%	Full
CMA CGM SHIPS	*Morocco*	99.72%	Full
CMA CGM UK SHIPPING	*United Kingdom*	99.82%	Full
CMA SHIPS SAS	*France*	100.00%	Full
CNC LINE LTD	*Taiwan*	99.08%	Full
COMANAV	*Morocco*	99.50%	Full
DELMAS	*France*	100.00%	Full
DELMAS SHIPPING SOUTH AFRICA	*South Africa*	100.00%	Full
DEXTRAMAR	*Morocco*	99.72%	Full
KAYLAS MARITIME	*France*	100.00%	Full
MACANDREWS LTD	*United Kingdom*	99.82%	Full
MARBAR MARITIME	*Morocco*	99.50%	Full
OTAL LTD	*United Kingdom*	100.00%	Full
PT CONTAINER SHIPPING INDONESIA	*Indonesia*	100.00%	Full
SNC ALIZE 1954	*France*	100.00%	Full
SNC ALIZE 1955	*France*	100.00%	Full
SNC ALIZE 1956	*France*	100.00%	Full
SNC ALIZE 1957	*France*	100.00%	Full
SNC ALIZE 1992	*France*	100.00%	Full
SNC ALIZE 1993	*France*	100.00%	Full
SNC ALIZE 1994	*France*	100.00%	Full
SNC ALIZE 1995	*France*	100.00%	Full
SNC ALIZE 1996	*France*	100.00%	Full
SNC ALIZE 1997	*France*	100.00%	Full
SNC ALIZE 1998	*France*	100.00%	Full
SNC ALIZE 1999	*France*	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-1	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-2	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-3	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-4	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-5	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-6	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-1	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-2	*Ireland*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
SPV PROVENCE SHIPOWNER 2008-3	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-4	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-5	*Ireland*	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-6	*Ireland*	100.00%	Full
VEGA Container Vessel 2006-1 Plc Ltd co	*Ireland*	100.00%	Full
AGENCIES			
AFRICAN AGENCY	*France*	50.50%	Full
ANL EUROPE BV	*Netherlands*	51.00%	Full
CAGEMA LIMITED	*Carribean*	100.00%	Full
CCK UKRAINE	*Ukrainia*	54.89%	Full
CMA CGM AGENCY AG (SUISSE)	*Switzerland*	99.80%	Full
CMA CGM AGENCES France	*France*	99.70%	Full
CMA CGM AGENCIES INDIA Pvt Ltd	*India*	69.86%	Full
CMA CGM ALGERIE	*Algeria*	79.84%	Full
CMA CGM AMERICA LLC	*USA*	99.80%	Full
CMA CGM AND ANL HONG KONG	*Hong Kong*	99.80%	Full
CMA CGM AND ANL MALAYSIA SDN BHD	*Malaysia*	99.80%	Full
CMA CGM AND ANL SINGAPORE	*Singapore*	99.80%	Full
CMA CGM AND ANL TAIWAN LTD	*Taiwan*	99.80%	Full
CMA CGM ANL DUBAI	*Dubai*	59.88%	Full
CMA CGM ANL (New Zealand) Ltd	*New Zealand*	99.80%	Full
CMA CGM ARGENTINA SA	*Argentina*	54.89%	Full
CMA CGM AUSTRALIA	*Australia*	99.80%	Full
CMA CGM BELGIUM	*Belgium*	99.97%	Full
CMA CGM BOLIVIA	*Bolivia*	69.86%	Full
CMA CGM BRAZIL	*Brazil*	99.80%	Full
CMA CGM CANADA	*Canada*	99.80%	Full
CMA CGM CENTRAL ASIA	*Kazakhstan*	59.88%	Full
CMA CGM CHILE SA	*Chile*	99.80%	Full
CMA CGM CHINA	*China*	100.00%	Full
CMA CGM COLOMBIA	*Colombia*	50.90%	Full
CMA CGM CROATIA	*Croatia*	99.80%	Full
CMA CGM DELMAS NIGERIA	*Nigeria*	66.61%	Full
CMA CGM DEUTSCHLAND	*Germany*	99.80%	Full
CMA CGM EAST AND SOUTH INDIA	*India*	99.80%	Full
CMA CGM EGYPT	*Egypt*	99.91%	Full
CMA CGM ESTONIA LTD	*Estonia*	54.89%	Full
CMA CGM FINLAND	*Finland*	99.80%	Full
CMA CGM GLOBAL INDIA	*India*	50.90%	Full
CMA CGM GREECE	*Greece*	54.89%	Full
CMA CGM HOLDING BV (Netherlands)	*Netherlands*	99.80%	Full
CMA CGM HUNGARY	*Hungary*	99.80%	Full
CMA CGM IBERICA	*Spain*	99.80%	Full
CMA CGM IRELAND	*Ireland*	66.94%	Full
CMA CGM ITALY	*Italy*	98.80%	Full
CMA CGM JAMAICA LTD	*Jamaica*	65.90%	Full
CMA CGM JAPAN	*Japan*	74.85%	Full
CMA CGM KENYA	*Kenya*	64.87%	Full
CMA CGM LATVIA Ltd	*Latvia*	54.89%	Full
CMA CGM MADAGASCAR	*Madagascar*	99.80%	Full
CMA CGM MALAYSIA SDN BHD	*Malaysia*	99.80%	Full
CMA CGM MAROC	*Morocco*	79.73%	Full
CMA CGM MEXICO	*Mexico*	99.80%	Full
CMA CGM MOZAMBIQUE	*Mozambique*	64.87%	Full

The accompanying notes are part of these annual consolidated financial statements

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM NOUMEA	*Noumea*	99.80%	Full
CMA CGM PAKISTAN (PVT) LTD	*Pakistan*	59.88%	Full
CMA CGM PANAMA	*Panama*	59.88%	Full
CMA CGM PAPEETE	*Papeete*	99.80%	Full
CMA CGM PERU SA	*Peru*	99.80%	Full
CMA CGM PORT SAID NAVIGATION	*Egypt*	99.80%	Full
CMA CGM PORTUGAL	*Portugal*	59.88%	Full
CMA CGM REUNION	*Reunion*	74.85%	Full
CMA CGM ROMANIA	*Romania*	50.90%	Full
CMA CGM RUSSIA	*Russia*	99.80%	Full
CMA CGM SCANDINAVIA—Norway	*Norway*	99.80%	Full
CMA CGM SCANDINAVIA AS—Danemark	*Denmark*	99.80%	Full
CMA CGM SCANDINAVIA AS—Sverige	*Sweden*	99.80%	Full
CMA CGM SERBIA	*Serbia*	99.80%	Full
CMA CGM SHIPPING AGENCY SE (Abu Dhabi)	*United Arab Emirates*	64.87%	Full
CMA CGM SHIPPING CO LTD SUDAN	*Sudan*	99.80%	Full
CMA CGM SHIPPING AGENCIES UKRAINE	*Ukrainia*	99.80%	Full
CMA CGM SLOVENIA	*Slovenia*	99.80%	Full
CMA CGM ST MARTEEN	*St Marteen*	50.90%	Full
CMA CGM STH AFRICA	*South Africa*	99.80%	Full
CMA CGM TRINIDAD	*Trinidad*	59.88%	Full
CMA CGM TURKEY	*Turkey*	54.79%	Full
CMA CGM URUGUAY	*Uruguay*	54.89%	Full
CMA CGM VENEZUELA	*Venezuela*	59.88%	Full
COMARINE	*Morocco*	89.84%	Full
COMPAGNIE GENERALE DE L'ATLANTIQUE	*France*	100.00%	Full
DELMAS BENIN	*Benin*	50.90%	Full
DELMAS CAMEROUN	*Cameroun*	50.90%	Full
DELMAS CHINA SHIPPING CO LTD	*China*	100.00%	Full
DELMAS CONGO	*Congo*	50.70%	Full
DELMAS COTE D'IVOIRE	*Ivory Coast*	64.87%	Full
DELMAS GABON	*Gabon*	50.70%	Full
DELMAS GHANA	*Ghana*	63.77%	Full
DELMAS HONG KONG LTD	*Hong Kong*	100.00%	Full
DELMAS REUNION	*Reunion*	74.85%	Full
DELMAS SENEGAL	*Senegal*	50.80%	Full
DELMAS TOGO	*Togo*	50.70%	Full
DEXTRA MAGHREB	*Morocco*	99.49%	Full
France MARITIME AGENCY	*Mauritius*	99.80%	Full
JAKARTA LLOYD AUSTRALIA PTE LDT	*Australia*	100.00%	Full
MAC ANDREWS NETHERLANDS BV	*Netherlands*	99.82%	Full
MAC ANDREWS SA (Spain)	*Spain*	99.82%	Full
POLISH UNITED BALTIC CORPORATION	*Poland*	99.80%	Full
SOMARIG	*French Guyanna*	100.00%	Full
SUDCARGOS ALGERIE SPA	*Algeria*	51.70%	Full
UAB CMA CGM SHIPPING AGENCY PLLC (Lituania)	*Lituania*	64.87%	Full
HANDLING ACTIVITY			
ALTERCO	*Algeria*	58.98%	Full
CGA AND CIE SAS	*France*	100.00%	Full
GMG	*Guadeloupe*	100.00%	Full
GMM	*Martinique*	100.00%	Full
INTRAMAR SA	*France*	100.00%	Full
INTRAMAR STS	*France*	100.00%	Full

The accompanying notes are part of these annual consolidated financial statements

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
LATTAKIA INT. CONT. TERMINAL LLC	*Syria*	51.00%	Full
MANUCO	*Morocco*	99.50%	Full
NORD France TERMINAL	*France*	91.00%	Full
SOMAPORT	*Morocco*	99.50%	Full
TERMINAL LINK BAYPORT LLC	*USA*	100.00%	Full
INITIAL SUN LTD	*Hong Kong*	100.00%	Full
TERMINAL LINK HOUSTON STEEVEDORING INC	*USA*	100.00%	Full
TERMINAL LINK MIAMI	*USA*	100.00%	Full
TERMINAL LINK TEXAS LLC	*USA*	51.00%	Full
TERMINAL LINK VIETNAM	*Vietnam*	100.00%	Full
UDEMAC	*Morocco*	94.67%	Full
CONTAINERS (MAINTENANCE & REPAIRS) ACTIVITY			
ANL CONTAINER HIRE AND SALES PTY LTD	*Australia*	51.00%	Full
PROGECO BELGIUM NV	*Belgium*	100.00%	Full
PROGECO DEUTSCHLAND GMBH	*Germany*	100.00%	Full
PROGECO DO BRAZIL	*Brazil*	99.80%	Full
PROGECO France	*France*	100.00%	Full
PROGECO HOLLAND BV	*Netherlands*	100.00%	Full
LOGISTICS & SUPPLY CHAIN ACTIVITY			
ANL LOGISTICS PTY LTD	*Australia*	100.00%	Full
CMA CGM CHINA LOGISTICS CO, LTD	*China*	100.00%	Full
CMA CGM LOGISTICS (Asia) LTD	*Hong Kong*	100.00%	Full
CMA CGM LOGISTICS (Egypt)	*Egypt*	99.93%	Full
CMA CGM LOGISTICS (France)	*France*	100.00%	Full
CMA CGM LOGISTICS N.V (Belgium)	*Belgium*	100.00%	Full
LAND TRANSPORT INTERNATIONAL France	*France*	100.00%	Full
TCX MULTIMODAL LOGISTICS	*France*	100.00%	Full
BARGING ACTIVITY			
RIVER SHUTTLE CONTAINER	*France*	100.00%	Full
RAIL ACTIVITY			
CMA RAIL	*France*	100.00%	Full
RAIL LINK EUROPE	*France*	100.00%	Full
REAL ESTATE ACTIVITY			
CMA CGM HOLLAND PYRAMIDS BV	*Netherlands*	100.00%	Full
CMA CGM IMMO SCI	*France*	100.00%	Full
CMA CGM PYRAMIDES France	*France*	100.00%	Full
CMA CGM PYRAMIDES SAS	*France*	100.00%	Full
CMA CGM PYRAMIDS Egypt	*Egypt*	100.00%	Full
CMA CGM PYRAMIDS Malaysia	*Malaysia*	100.00%	Full
CMA CGM PYRAMIDS Norfolk	*USA*	100.00%	Full
CMA CGM PYRAMIDS UKRAINE	*Ukrainia*	100.00%	Full
CMA CGM PYRAMIDS USA LLC	*USA*	100.00%	Full
PT PYRAMIDES Indonesia	*Indonesia*	98.50%	Full
PYRAMIDS TURKEY	*Turkey*	99.80%	Full
SCI 408 PRADO	*France*	100.00%	Full
SCI Tour D'Arenc	*France*	100.00%	Full
SPA CMA CGM Construction	*Algeria*	99.94%	Full
TOURISM ACTIVITY			
MAC ANDREWS NAVEGACAO & TRANSITOS	*Portugal*	99.82%	Full
MAC ANDREWS TOUR SA (Spain)	*Spain*	99.82%	Full
SYTRAV	*France*	100.00%	Full
THE TRAVELLERS CLUB	*France*	100.00%	Full

The accompanying notes are part of these annual consolidated financial statements

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
INSURANCE			
ARB INTERNATIONAL HOLDINGS LTD	*United Kingdom*	100.00%	Full
ARB INTERNATIONAL LIMITED	*United Kingdom*	100.00%	Full
FINANCIAL HOLDING			
CMA CGM HOLDING AND CO SAS	*France*	100.00%	Full
CMA CGM OVERSEAS (Taiwan) INVESTMENT LTD	*Taiwan*	99.80%	Full
CMA CGM OVERSEAS INVESTMENT Holland BV	*Netherlands*	99.80%	Full
CMA CGM PARTICIPATIONS	*France*	100.00%	Full
CMA CGM UK HOLDING	*United Kingdom*	99.82%	Full
CMA CGM WORLD WIDE	*France*	99.80%	Full
COMPAGNIE MARITIME FINANCIERE (Ships)	*France*	100.00%	Full
LAND TRANSPORT INTERNATIONAL	*France*	95.00%	Full
TERMINAL LINK SA	*France*	100.00%	Full
TERMINAL LINK USA INC	*USA*	100.00%	Full
OTHER ACTIVITIES			
CMA CGM CARIBBEAN INC.	*Carribean*	100.00%	Full
CMA CGM GLOBAL AGENCY Pte Ltd	*Singapore*	69.86%	Full
CMA SHIPS UK	*United Kingdom*	100.00%	Full
CMA SKY LINK	*France*	100.00%	Full
PORT SERVICES AGENCY	*Malaysia*	69.86%	Full
CMA CGM DO BRAZIL NAVEGACAO LTD	*Brazil*	99.80%	Full
Associates and joint ventures are disclosed in the table below			
AMEYA LOGISTICS PRIVATE LTD	*India*	50.00%	Equity method
BROOKLYN KIEV PORT LTD	*Ukrainia*	50.00%	Equity method
CMA CGM JORDAN	*Jordania*	48.90%	Equity method
CMA CGM KOREA	*Korea*	49.90%	Equity method
CMA CGM KUWAIT	*Kuwait*	48.90%	Equity method
CMA CGM LANKA	*Sri Lanka*	39.90%	Equity method
CMA CGM QATAR	*Qatar*	39.92%	Equity method
CMA CGM SYSTEMS	*France*	50.00%	Equity method
CMA CGM TUNISIA	*Tunisia*	48.90%	Equity method
COMAG ITALY	*Italy*	49.00%	Equity method
COMPAGNIE DES ILES DU PONANT	*France*	39.00%	Equity method
CONTAINER HANDLING ZEEBRUGE	*Belgium*	35.00%	Equity method
GEMALINK	*Vietnam*	28.57%	Equity method
GEMARTRANS	*Vietnam*	49.00%	Equity method
GLOBAL SHIP LEASE	*USA*	44.72%	Equity method
INTERRAF	*Ukrainia*	45.00%	Equity method
MALTA FREEPORT TERMINAL LTD	*Malta*	50.00%	Equity method
MFTL HOLDING	*Malta*	50.00%	Equity method
OSCO	*Ukrainia*	46.80%	Equity method
OTHL	*Cyprus*	50.00%	Equity method
PORTSYNERGY SAS	*France*	50.00%	Equity method
SOUTH FLORIDA CONTAINER TERMINAL	*USA*	51.00%	Equity method
XIAMEN HXCT	*China*	22.22%	Equity method

34. Post balance sheet events

On January 25, 2012, the Company's shareholder exercised its option to call USD 250 million in cash from Yildirim in exchange for bonds redeemable in the Company's shares.

In February 2012, the Company entered into informal discussions with its lenders to renegotiate its debt repayment schedule.

The accompanying notes are part of these annual consolidated financial statements

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LISTING PARTICULARS

CMA CGM S.A.

€300,000,000 8.75% Senior Notes due 2018

Joint Bookrunning Managers

BNP PARIBAS	**Credit Suisse**	**Société Générale Corporate & Investment Banking**

January 10, 2014