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CMA CGM S.A.

€725,000,000 7.75% Senior Notes due 2021

CMA CGM S.A. ("we," the "Company" or the "Issuer") offered €725,000,000 aggregate principal amount of our 7.75% Senior Notes due 2021, comprising €550,000,000 aggregate principal amount of 7.75% Senior Notes due 2021, issued on June 8, 2015 ("initial notes") and €175,000,000 aggregate principal amount of 7.75% Senior Notes due 2021, issued on June 12, 2015 (the "additional notes", and together with the initial notes, the "notes"). Interest on the notes is payable on January 15 and July 15, beginning on January 15, 2016.

The notes were issued under the indenture entered into by the Company, among others, dated June 8, 2015 (the "Indenture"). The notes will be treated as a single class for all purposes of the Indenture, including with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise specified with respect to the notes, and will be fully fungible. The additional notes sold pursuant to Regulation S (as defined below) will have different ISINs and common codes than, and will not trade fungibly with, the initial notes sold pursuant to Regulation S during the period prior to and including the 40th day following the date upon which the additional notes were delivered. After the 40th day following the date of delivery of the additional notes, certain selling restrictions with respect to the additional notes sold pursuant to Regulation S will terminate and the additional notes sold pursuant to Regulation S will become fully fungible with, and have the same ISINs and common codes as, the initial notes sold pursuant to Regulation S. Please see "*Plan of Distribution*."

The notes will mature on January 15, 2021. Prior to January 15, 2018, 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 January 15, 2018 at the redemption prices as described under the caption "Description of Notes—Optional Redemption." In addition, until January 15, 2018, we may redeem up to 40% of the notes with the proceeds of certain equity offerings at the redemption prices as described under the caption "Description of Notes—Optional Redemption." We may also redeem the notes upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain events constituting a change of control, we may be required to make an offer to repurchase the notes.

The notes are our unsecured senior obligations, and the notes rank pari passu in right of payment to all our existing and future senior indebtedness. The notes are 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. This Luxembourg listing particulars constitutes a prospectus for the purpose of Luxembourg law dated July 10, 2005 on prospectuses for securities, as amended.

Investing in the notes involves risks. See "*Risk Factors*" beginning on page 18.

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 for the initial notes: 98.871%, plus accrued interest if any
Price for the additional notes: 99.500%, plus accrued interest if any

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Interest on the notes will accrue from June 8, 2015 to the date of delivery of the notes.

The initial notes and the additional notes were delivered in book-entry form through the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream") on June 8, 2015 and June 12, 2015, respectively.

The date of this Luxembourg listing particulars is June 29, 2015

We are responsible for the information contained in this Luxembourg listing particulars. We have not authorized anyone to provide you with information that is different from the information contained in this Luxembourg listing particulars. This Luxembourg listing particulars may only be used where it is legal to sell the notes. The information in this Luxembourg listing particulars may only be accurate on the date of this document. The offering of the notes is being made on the basis of this Luxembourg 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 this Luxembourg 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 this Luxembourg listing particulars. The issuer, and not the initial purchasers, has ultimate authority over the statements contained in this Luxembourg listing particulars, including their content and whether and how to communicate them. Nothing contained in this Luxembourg 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 this Luxembourg 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 this Luxembourg 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 this Luxembourg 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 Paying Agent.

This Luxembourg listing particulars has been prepared by us solely for use in connection with the offering of the notes. This Luxembourg listing particulars is 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.

The initial purchasers will provide you with a copy of this Luxembourg listing particulars and any related amendments. By receiving this Luxembourg 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 this Luxembourg 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 this Luxembourg 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 this Luxembourg 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 offered 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 this Luxembourg listing particulars are accurate or complete. Any representation to the contrary is a criminal offense.

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 this Luxembourg 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.

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 third business day following the date of pricing of the notes (such settlement being referred to as "T+3"). See "*Plan of Distribution—Initial Settlement*."

Interests in the notes will be available initially in book-entry form only. The notes sold pursuant to this Luxembourg listing particulars were issued in the form of one or more global notes in registered form without interest coupons attached. The global notes were 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 this Luxembourg 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 this Luxembourg 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. Neither the SEC, any state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or determined that this Luxembourg listing particulars is accurate or complete. Any representation to the contrary is a criminal offense. 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

This Luxembourg listing particulars has been prepared on the basis that any offer of notes in any member state of the European Economic Area (each a "Member State") will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus for offers of the notes. Accordingly, any person making or intending to make any offer of notes within that Member State, which are the subject of the offering contemplated in this Luxembourg listing particulars, may only do so in circumstances in which no obligation arises for either of the Issuer or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer or the initial purchasers has authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Issuer or the initial purchasers to publish a prospectus or supplement a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Member State), and includes any relevant implementing measure in the Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

France

This Luxembourg listing particulars has not been prepared and is not being distributed in the context of a public offering of financial securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411-1 of the French Monetary and Financial Code and Title I of Book II of the Règlement général of the Autorité des marchés financiers (the French financial markets authority) (the "AMF"). Consequently, the notes may not be, directly or indirectly, offered or sold to the public in France, and neither this Luxembourg listing particulars nor any offering or marketing materials relating to the notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France. The notes may only be offered or sold in France to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), all as defined in and in accordance with Articles L. 411-1, L. 411-2, D. 411-1 through D. 411-4, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and applicable regulations thereunder.

Prospective investors are informed that:

(i) this Luxembourg listing particulars has not been and will not be submitted for clearance to the AMF;

(ii) in compliance with Articles L. 411-2, D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code, any qualified investors subscribing for the notes should be acting for their own account; and

(iii) the direct and indirect distribution or sale to the public of the notes acquired by them may only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French Monetary and Financial Code.

United Kingdom

This Luxembourg listing particulars is directed only at persons ("Relevant Persons") who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments and fall within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended (the "Order"), (iii) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order 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.

This Luxembourg listing particulars must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Luxembourg listing particulars relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Recipients of this Luxembourg 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.

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 this Luxembourg listing particulars:

- "2012 Restructuring Principles" means the revised restructuring principles agreed to on December 19, 2012, 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;
- "2017 Senior Notes" means the $475.0 million 8.5% Senior Notes due 2017 issued by the Company on April 21, 2011;
- "2018 Senior Notes" means the €300.0 million 8.750% Senior Notes due 2018 issued by the Company on December 16, 2013;
- "2019 Senior Notes" means the €325.0 million 8.875% Senior Notes due 2019 issued by the Company on April 21, 2011;
- "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;
- "ANL Singapore" means ANL Singapore Pte Ltd;
- "additional notes" means the €175,000,000 aggregate principal amount of 7.75% Senior Notes due 2021, issued on June 12, 2015 pursuant to the Indenture;
- "Board of Directors" means the board of directors of the Company;
- "BPI" means Bpifrance Participations (formerly known as the *Fonds Stratégique d'Investissement*);
- "BPI ORA" means the 793,378 12.0% subordinated bonds mandatorily redeemable in shares subscribed to by BPI for $150.0 million on June 28, 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;
- "Cheng Lie Navigation" means Cheng Lie Navigation Co. Ltd;
- "CMA Terminals" means CMA Terminals Holding S.A.S.;
- "CMHI" means China Merchants Holdings (International) Company Limited;
- "Core EBIT" means EBIT less gains/losses from asset disposals and adding back other income and expenses;
- "CSG" means China Shipping (Group) Company;
- "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;
- “EBIT” means a measure equivalent to the Company’s operating profit/loss;
- “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 2017 Senior Notes, the 2018 Senior Notes and the 2019 Senior Notes;
- “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;
- “IFRS” means International Financial Reporting Standards, as adopted for use in the European Union by the European Commission;
- “initial notes” means the €550,000,000 aggregate principal amount of 7.75% Senior Notes due 2021, issued on June 8, 2015 pursuant to the Indenture;
- “Indenture” means the indenture dated June 8, 2015, between, *inter alios*, the Company and the Trustee;
- “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 of an asset, including in the case of vessel financing arrangements, a vessel;
- “MacAndrews” means MacAndrews & Company Limited;
- “main lines” means shipping lines that traverse oceans;
- “Malta Freeport” means Malta Freeport Terminals Ltd.;
- “Member States” means states which are members of the European Union;
- “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;
- “Ocean 3 alliance” means our global alliance with CSG and UASC covering the Asia-Northern Europe trade, the Asia-Mediterranean trade and Transpacific trades;
- “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 BPI ORA;
- “primary port” means ports which are called by main lines;
- “reefer” means refrigerated transport;
- “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;
- “trades” means regular routes assigned to ships;
- “UASC” means United Arab Shipping Company;
- “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, 2014 and 2013 (respectively the "2014 Audited Consolidated Financial Statements" and the "2013 Audited Consolidated Financial Statements," and together the "Audited Consolidated Financial Statements"), our unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2015 (the "Unaudited Interim Condensed Consolidated Financial Statements"), and, in each case, the related notes thereto are included elsewhere in this Luxembourg 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 this Luxembourg listing particulars, and in Note 2.2 to the Unaudited Interim Condensed Consolidated Financial Statements, included elsewhere in this Luxembourg listing particulars. None of these changes materially affected our financial performance or positions during the periods presented.

The unaudited financial information presented for the twelve months ended March 31, 2015 included herein is derived by adding the unaudited condensed consolidated interim financial information for the three months ended March 31, 2015 and the audited consolidated financial information for the year ended December 31, 2014, as presented in the 2014 Audited Consolidated Financial Statements, and subtracting the unaudited condensed consolidated interim financial information for the three months ended March 31, 2014, as presented in the Unaudited Interim Condensed Consolidated Financial Statements.

Certain amounts and percentages included in this Luxembourg 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 this Luxembourg listing particulars, as applicable, and not using the numerical data in the narrative description thereof.

Use of Non-IFRS Financial Measures

In this Luxembourg listing particulars, we present our EBITDA and certain ratios and margins based on EBITDA for certain periods. EBITDA represents the sum of the following income statement captions, as presented in the Audited Consolidated Financial Statements included elsewhere in this Luxembourg listing particulars: "Operating profit/(loss) before gains on disposal of property and equipment and subsidiaries, depreciation & amortization etc" and "Gains on disposal of property and equipment and subsidiaries." 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," which represents EBITDA less gains/(losses) on disposal of property and equipment and subsidiaries. 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 this Luxembourg listing particulars. EBIT is equivalent to our operating profit/(loss) after share of profit/(loss) of associates and joint ventures. We also present a measure which we call "Core EBIT" that we believe is a particularly useful indicator of our operating performance. It is calculated as EBIT less gains/(losses) on disposal of property and equipment and subsidiaries and less 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 this Luxembourg listing particulars to our "adjusted operating margin," which represents our Core 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 EBITDA, Adjusted EBITDA, EBIT, Core EBIT, 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, Core 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 this Luxembourg listing particulars.

Month **U.S. dollar/Euro**	**Period End**	**Average Rate***	**High**	**Low**
May 2015 (through May 22, 2015)	1.1013	1.1226	1.1451	1.1013
April 2015	1.1214	1.0821	1.1214	1.0582
March 2015	1.0728	1.0818	1.1201	1.0492
February 2015	1.1195	1.1351	1.1471	1.1195
January 2015	1.1288	1.1611	1.2010	1.1255
December 2014	1.2100	1.2312	1.2509	1.2100
November 2014	1.2435	1.2471	1.2550	1.2388

Year **U.S. dollar/Euro**	**Period End**	**Average Rate***	**High**	**Low**
2015 (through May 22, 2015)	1.1013	1.1164	1.2104	1.0496
2014	1.2101	1.3289	1.3927	1.2101
2013	1.3779	1.3285	1.3816	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

* 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.

This Luxembourg listing particulars contains translations of euro amounts into U.S. dollars at the exchange rate of $1.0759 = €1.00 (the exchange rate as of March 31, 2015 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 May 22, 2015, the Noon Buying Rate in New York City for cable transfers in foreign currencies was $1.1013 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 this Luxembourg listing particulars, except where otherwise noted. We accept responsibility for the accurate reproduction of the information contained in the section "*Industry Overview*".

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Luxembourg listing particulars includes 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 this Luxembourg 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 this Luxembourg 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 this Luxembourg 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;
- compliance with, and 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, which has increased;
- our ability to abide by our financial covenants;
- our ability to secure future sources of financing in a capital-intensive industry;
- 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 this Luxembourg 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 this Luxembourg 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 this Luxembourg 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 Luxembourg listing particulars carefully, especially the risks of investing in the notes. See "Risk Factors." *For definitions of certain capitalized terms used in the Luxembourg listing particulars, see* "Certain Terms and Conventions."

Overview

Our Company

We are one of the leading and most profitable providers, based on Core EBIT, 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 141 main lines and 73 feeder lines, calling at 386 ports in 133 countries as of March 31, 2015, with the support of 166 shipping agencies operating through more than 655 offices worldwide.

As of March 31, 2015, we operated a fleet of 465 container ships with a total capacity of 1.769 million TEU and a weighted average age, based on total TEU, of 7.7 years, of which we chartered 386 and owned 79. As of March 31, 2015, we maintained a 2.56 million TEU fleet of containers, of which we leased approximately 83% and owned the remainder. As of March 31, 2015, the book value of our owned containers was $532.9 million. The market value of our owned vessels is assessed every six months by calculating the average of three independent ship brokers' valuation and was $3,806.2 million as of December 31, 2014.

We transported over 12.5 million TEU in the twelve months ended March 31, 2015 on behalf of a globally diversified base of more than 100,000 customers, of which approximately 1,500 shipped more than 1,000 TEU in 2014. We generated revenues of $16.8 billion and a Core EBIT of $1,193.6 million for the twelve months ended March 31, 2015. Our EBITDA for the twelve months ended March 31, 2015 is $1,519.8 million. Our available cash position as of March 31, 2015 was $1,904.4 million (net of overdrafts).

Our customer base includes such names as Adidas, Danone, General Motors, Honda, Ikea, Michelin and Renault. These customers are part of a list of 50 strategic customers who have carried volumes with the group representing a total of 2.2 million TEUs and approximately 18% of our overall volumes in 2014.

Our size and our leading market position enable us to take advantage of economies of scale. The scale of our operations, together with the flexibility of our fleet and effective management of cascading of our operated tonnage across all trade lanes, enables us to efficiently deploy optimized tonnage on most of our routes, resulting in a significant cost-saving.

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 the Company, via subsidiaries such as ANL Singapore Pte Ltd. ("ANL Singapore"), Cheng Lie Navigation Co. Ltd ("Cheng Lie Navigation") and MacAndrews & Company Limited ("MacAndrews") or under our Delmas brand. Our 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 13 ports across the country, supported by our own shipping agency network of 60 offices.

Our extensive network is further supported by strategic agreements (or "alliances") with other carriers, which allow us to extend the scope of our services while reducing our cost base. These alliances include our Ocean 3 agreement with China Shipping Group ("CSG") and United Arab Shipping Group ("UASC") covering the Asia-Northern Europe trade, the Asia-Mediterranean trade and Transpacific trades. We have also recently announced agreements with Hamburg Süd and Hapag Lloyd on Asia and Europe to South American trades and with Maersk on Asia-Africa trades.

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 trade accounting for more than 10% 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 connection to our shipping lines, and to capture additional profitability in the logistical chain, 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 28 terminals around the world, 23 of which are in operation and five in development, through our two dedicated subsidiaries, CMA Terminals (100% owned by the Company) and Terminal Link (51% owned by the Company). These terminals are located in Miami, Houston and Long Beach in the United States Le Havre, Dunkirk, Nantes and Marseilles/Fos in France, Antwerp and Zeebrugge in Belgium, Rotterdam in the Netherlands, Malta, Tangier and Casablanca in Morocco and Odessa in Ukraine. We also have interests in Pusan (South Korea), Xiamen (China), Cai Mep (Vietnam), Mundra (India), Umn Qsar (Iraq), Lattakia (Syria) as well as in Martinique, Guadeloupe and French Guyana (French West Indies), Kingston (Jamaica), Lekki (Nigeria) and Abidjan (Ivory Coast). In April 2015, the Company signed a 30-year concession agreement with the government of Jamaica for the management of Kingston Container Terminal. Situated in close vicinity of Panama, with 2,400 meters of key length and a 102 hectare yard this terminal will allow us to manage from this terminal all of our transshipment operations between Asia, South America, North America and Europe.

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 465 vessels as of March 31, 2015. We believe that the stability of our efficient, hands-on management team, combined with our streamlined organization, enables us to make decisions rapidly and efficiently, allowing us to take early advantage of market opportunities and generate superior profitability when compared to our peers. From January 1, 2011 to March 31, 2015, we achieved compound annual growth rates on volumes transported of 7.1%, 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 141 main lines and 73 feeder lines and calling at 386 ports in 133 countries as of March 31, 2015. Our operations are supported by an extensive global network of 166 shipping agencies operating through more than 655 strategically-located and locally-staffed offices worldwide, including, for example, our Chinese shipping agency, which we established in 1996 and which today operates through 60 offices. We own or have a majority stake in 111 of our shipping agencies, which accounted for approximately 96% of our volumes transported in 2014. 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 that 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 controlled fleet capacity of 1.769 million TEU as of March 31, 2015 (including vessels chartered out to third parties), we are the third largest provider of container shipping services 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 balanced portfolio in line with our strong market position in the Asia-Europe market, with a market share of 11.6% in terms of volume in 2014. In addition, we had a 20.9% market share on the Europe-to-Indian Subcontinent-Middle East trade, a 19.9% market share on the Asia-Africa trade, a 16.1% market share on the Europe-South American trade and a 7.9% market share on the Transpacific trade, in each case in terms of volume in 2014. Our volumes grew by 8.1% in 2014, compared to an industry average of 5.3%. As a result of being a large, globally diversified operator with a culture fostering responsiveness, we have generally tended to outpace industry growth.

We believe that there is a natural tendency for main stream shippers to choose large operators who can provide the range and scope of connections, with enough carrying capacity to accommodate their volumes on each connection. In addition, we endeavor to be as opportunistic as possible on spot possibilities such as those offered by Asia US East Coast in the second part of 2014, with the diversion of part of the Asia US West Coast cargo. No single trade represents more than 10% of our annual volumes transported. We believe that our geographic diversification and our leading market positions help protect us from regional fluctuations in demand and freight rates as the various markets remain uncorrelated to each other most of the time, reflecting regional balance-supply dynamics.

Optimal size and efficient cost base allowing for superior profitability. We believe that our size enables us to take advantage of economies of scale. The scale of our operations, together with the flexibility of our fleet and effective management of our operated tonnage across all trade lanes, enables us to efficiently deploy optimized tonnage on most of our routes. 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. 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 further improve the efficiency and capacity of our services beyond the lines which are the direct beneficiaries of the new replacement ships. Optimizing tonnage is a key advantage as unit costs can differ significantly depending on the size of the vessel deployed along the same route. For

example, the unit cost for the Asia to Europe route is on average 24% lower when a 17,700 TEU-vessel is deployed as opposed to a 11,400 TEU vessel. Our size also strengthens our bargaining power when negotiating the terms of our contracts for operational and capital expenditures, financings, and any negotiations with respect to rebates and discounts with various terminals. Similarly, as a result of our strength of bargaining power, we have been able to negotiate with certain vessel charter companies to arrange for a switch to more efficient bulbous bow shapes, enabling us to benefit from lower bunker consumption.

Since 2011, we have also 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. We have also been active in creating alliances on most of our main trades in order to optimize slot costs, including with CSG and UASC on Asia-Europe and Asia-USA, with Maersk on Asia-Africa, and with Hamburg Süd and Hapag Lloyd on Asia and Europe to South America. These various measures have enabled us to reduce our unit costs and lower our breakeven level, therefore supporting our profitability, despite the volatile market conditions of the industry.

As part of our efficiency initiatives, we have also set up a single ship operating center operating a 24 hour service and staffed by a team of experienced officers that oversee our entire fleet of 465 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.

Our efficiency initiatives, and specific cost cutting programs, have helped us consistently outperform industry-average EBIT margins by 2.4% to 8.9% on a quarterly basis since the first quarter of 2012, an average of 6.6% per quarter during this time period. Our reduced cost base has also contributed significantly to an increase in our profitability in 2012, 2013, 2014 and the three months ended March 31, 2015. Although our total volumes transported in the three months ended March 31, 2015 were approximately 10.5% higher than in the three months ended March 31, 2014, our operating expenses were approximately 4.1% lower, which is reflective of a combination of our continued efforts to effectively manage and significantly reduce our operating expenses and reduced bunker fuel prices.

Being able to efficiently deploy optimized tonnage and achieve a lower cost base, coupled with the ability to react quickly and flexibly, and having in place the proper commercial tools and IT systems means that, across the industry, larger liners are more profitable than smaller players.

Flexible fleet with balanced ownership policy. As of March 31, 2015, we operated a fleet of 465 ships, with capacity ranging from 120 TEU to 17,554 TEU, of which we owned 79, chartered 41 with a remaining lease term ranging between one and five years, chartered 51 with a remaining lease term of more than five years and chartered 294 with a remaining lease term of less than one year outstanding, with total fleet capacity of 1.769 million TEU. In terms of size, our fleet currently consists of 69 ships of more than 7,000 TEU (of which 32 ships of more than 10,000 TEU), representing 726,116 TEU or 41.0% of our fleet capacity, 189 ships ranging between 2,500 and 6,999 TEU, representing 774,065 TEU or 43.7% of our fleet capacity, and 207 ships of less than 2,500 TEU, representing 269,076 TEU or 15.2% 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 of our vessels, particularly our new technologically advanced vessels with lower fuel consumption, in accordance with demand. In addition, our use of short-term vessel charter agreements allows us to align our cost structure with our projected demand more quickly. The share of total chartering costs as a percentage of our total revenue was 11.3% as of March 31, 2015 for a chartered fleet of 386 vessels while it stood at 10.8% as at end of March 2014 for a fleet of 349 vessels.

Diversified and loyal customer base founded on dedicated commercial services and strong reputation. In 2014, we had over 100,000 customers, of which more than 1,500 had shipped more than 1,000 TEU to date. Our customer portfolio is highly diversified by both geography and industry sector and is generally balanced between direct shippers (who collectively represent approximately 40% of our customers), such as Adidas, Danone, General Motors, Honda, Ikea, Michelin and Renault, and leading freight forwarders (who collectively represent approximately 60% of our customers), such as DHL, Kühne & Nagel and Schenker. During the twelve months ended December 31, 2014, our top 20 customers by volume (including our subsidiary CMA CGM Logistics) accounted for approximately 16.1% of our total volumes transported, and we had no customer that accounted for more than 2.7% 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 “International Carrier of the Year” by ASDA in February 2015 and “Carrier of the Year” by DHL in December 2014. We have been successful in acquiring and retaining key account customers. For example, our top 20 customers in 2005 all remained significant customers in 2014. We have also had success in growing our customer base, winning business from major brands including BP, Coca Cola, Procter & Gamble, Scania, Schneider

Electric and Sarada in recent years. 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.

Adequate capital structure with significant cash position and balanced financial strategy. We have access to diversified sources of financings including bond markets, secured and unsecured asset financing as well as long-term leases provided by a wide range of suppliers including international and regional banks, financial institutions, governmental agencies, shipyards and various lessors. At the same time, we have built strong and confident relationships with a group of core banks that allow the group to optimize its financings. All of our debt financing arrangements benefit from a covenant package well suited to the industry's volatility, based on minimum available cash and gearing ratio, rather than leverage or coverage ratios. In 2014, we were able to consolidate our strong liquidity position through our operations, which have generated net cash from operating activities of $1.1 billion, compared to $984.5 million in 2012 and $984.0 million in 2013, and reduce our net debt. Our available cash position as of March 31, 2015 was $1.9 billion (net of overdrafts), and our gearing ratio (as defined in our financing arrangements) was 0.46. Previously, in 2013, we also significantly strengthened our capital structure by disposing of certain 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. In January 2013, Yildirim and BPI subscribed for $100.0 million and $150.0 million, respectively, of ORA, in addition to the $500.0 million of ORA subscribed by Yildirim in January 2011.

Experienced management team and entrepreneurial culture. 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 18,000 full-time equivalent employees, including 4,171 in France, as of December 31, 2014. Mr. Jacques R. Saadé and his son, Rodolphe Saadé, who was appointed vice-chairman in 2014, are 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 operational 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.

As part of our entrepreneurial corporate culture, led by our senior management, we endeavor to take advantage of opportunities sooner than most of our competitors. We believe that our ability to react quickly represents a significant strategic advantage over our competitors. Our ability to react quickly can be illustrated by the number of services and lines which we create or cancel or restructure in a given year. See "*—Our Strategy—Further improve our long-term profitability—Network optimization*." The structure of our fleet, relying for a significant part on chartered tonnage under short duration, allows us to quickly release vessels which become irrelevant as a result of insufficient capacity in growing markets or as a result of excess capacity in troubled trades.

Our Strategy

Our key strategic objectives are as follows:

Further improve our long-term profitability. One of our main objectives is to increase the profitability of our operations, while continuing to enhance our financial strength. We are currently one of the top tier operators in terms of profitability and have been so for the past five years. We are continuing to work to advance this objective, including in the following ways:

- ***Network optimization***. We constantly reassess the profitability of our network of lines and react nimbly to either close or open or restructure our network to meet changing requirements. For example, in 2014, we launched four new main lines and seven feeder lines and at the same time we closed two main lines and one feeder line. In parallel, we also take actions to restructure existing lines by introducing larger capacity when filling factors are high in order to be in a position to reduce slot costs, as well as to reorganize line rotation or choice of port of calls to maximize the efficiency of our services.

- ***Vessels retrofit***. We are pursuing a significant retrofitting program, modifying our larger vessels to fit them with specially shaped bulbous bows to reduce drag as well as with specially shaped propellers, which reduce bunker consumption in the range of speed we currently operate and so reducing our operating costs. We believe that the use of bulbous bows and specially shaped propellers throughout our fleet, in conjunction with widespread use of slow steaming, will contribute to further significant reductions in our fuel costs. Based on tests we have conducted so far on ships of the same class, as a result of our retrofitting program, we have been able to reduce bunker consumption by 8.2% on a weighted average for the retrofitted vessels. This reduction is in addition to the reduction in bunker consumption already achieved by slowing down the ships.

- ***Additional Cost Reduction Initiatives***. Cost savings are a key part of our strategy. Two years ago, we started to transfer most of our agencies' back-office functions, such as accounting, billing and export documentation, to dedicated shared service centers in India and China to reduce operating expenses. By the end of 2015, we expect to have approximately 2,000 employees in our shared service center in India, allowing us to further reduce our back-office 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 to 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 in the medium term. Implementation and deployment should occur in phases starting in 2017 and 2019. We expect that the implementation of these and other cost-reduction initiatives will continue to help us improve our profitability.

Be opportunistic in increasing revenue from higher growth areas and niche markets and increase revenue diversification across complementary services. We believe that our substantial expertise, extensive network and track record of quickly identifying and seizing upon opportunities in high growth and niche markets allow us to leverage our position in such markets. We intend to actively pursue opportunities on trades that are exhibiting significant growth, such as (i) Asia-US East Coast, where growth was initially related to US West Coast congestion but where we believe some of the volumes will remain in anticipation of the widening of the Panama Canal, (ii) Transatlantic imports, which are benefitting from the strength of the US dollar, and (iii) in high-growth markets on North-South trades.

According to the Drewry Container Forecaster report for the three months ended March 31, 2015, volumes between Asia and U.S. East Coast grew by as much as 13.4% in the fourth quarter of 2014. We took advantage of this growth to introduce additional sailings on top of our regular departures which combined with the growth of the size of our fleet on Asia U.S. West Coast enabled us to increase our market share from 5.7% for the year ended December 31, 2014 to 6.8% during the three months ended March 31, 2015 and to improve our ranking on the trade from number six in 2014 to number four during the three months ended March 31, 2015. On the U.S. West Coast trade, volumes grew by 8.4% in 2014 over 2013. We used this opportunity to increase the size of some of our ships from 3,500 TEU to 4,200 TEU, thus improving slot cost and profitability. According to the Drewry Container Forecaster report for the three months ended March 31, 2015, the container shipping industry is estimated to grow at an annual rate of 4.8% in 2015 and 5.0% in the first three quarters of 2016. We are also concentrating on opportunities such as reefer markets, which still benefit from the conversion of conventional reefer transport to containerized transport and provide better profitability than dry markets. 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 March 31, 2015, we operated 195,840 TEU of reefer containers, representing 8% of our total container fleet. Our strategy in the reefer market is to identify very specific trades such as fruit and vegetables from Spain, citrus from Morocco or grapes from India and provide shippers with logistics solutions including the introduction of ad-hoc container services.

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. 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 and better manage our fleet of containers. 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 and further diversify our sources of revenue.

Improve operational efficiency. We intend to maintain our efforts to improve operational efficiency throughout our network by increasing our transport solutions on land and at sea. In order to consolidate our expertise in specialized cargo, we have developed a fully dedicated team located both in Europe and in Asia whose main task is to identify and propose solutions for 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. In November 2013, we 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.

Maintain a balanced financial policy. Bearing in mind the volatility of freight revenue as well as bunker fuel prices which still represents a high proportion of our costs (20.9% in 2014), our primary focus over recent years has been on improving our balance sheet profile and liquidity position while continuing to invest in strategic assets to further improve our long-term profitability and growth perspectives. As an example of our prudent approach to our financial policy, most of our current orderbook has been financed on the balance sheet of the shipyards to which we pay a long term bareboat charter rate. In such schemes our cash output is generally minimal (approximately 5% of the vessel's

price). Similarly, we have also reduced our share of owned containers in our overall fleet (16.8% as of March 31, 2015 while it stood at 22.4% as of December 31, 2012 and 37.0% in December 31, 2010), as we consider that rental costs for containers are currently extremely low and ownership of containers does not bring any improvement in profitability. Given our current balance sheet profile and liquidity position, we believe it is appropriate to consider a more balanced approach to our financial policy, which would allow for focused investments in strategic assets to further improve our growth perspectives.

Consolidate our position through internal growth and selective acquisitions. As part of our long-term strategy, 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 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. We may also continue to grow through selective strategic acquisitions, which may vary in size and may be significant in scope in relation to our current operations. While our main objective is to continue to increase profitability of our operations, ahead of other considerations of growth or market share, where we see profitable opportunities, we expect to grow our business to realize them. Our key evaluation criteria for any acquisition proposal will include strategic fit, financial attractiveness and manageable execution risks, while maintaining a balanced financial policy.

Recent Developments

Since March 31, 2015, freight rates have remained volatile with mixed trends according to the trade. Asia U.S. East Coast and Transatlantic have been satisfactory, not only in terms of freight levels but also in terms of volumes, while trades like Asia North Europe, Asia Mediterranean and Asia South America East Coast trades have seen freight rates eroding quite significantly because of weak volumes. Various rate increases which had been planned by shipping companies on the Asia Europe trades during this period, particularly in April, have not come through. The latest rate increase, which took place on May 11, 2015, has had a direct impact on rates, SCFI Asia to Europe having soared from $343 per TEU to $861 per TEU. To compensate the low level of volumes on the Asia Europe trades, we have been implementing customary capacity adjustment measures such as blanking of sailings since the last quarter of 2014 and we have maintained these measures in place to date. Further rate increases are scheduled in the coming weeks, freight rates having again eroded since the last increase.

In terms of operational margin, we expect the second quarter of 2015 to be lower than the first quarter but higher than the second quarter of 2014. With respect to liquidity, we currently expect cash flow from operations to be significantly positive in the second quarter of 2015, allowing for repayment of debt without having a major impact on the level of cash.

Other Transactions

On June 8, 2015, the Company completed an offering of €550,000,000 aggregate principal amount of initial notes. On the same day, using a portion of the proceeds from the issuance of the initial notes, the Company purchased in a cash tender offer (the "Tender Offer") $111,338,000 in aggregate principal amount of 2017 Senior Notes representing 25.76% of the 2017 Senior Notes outstanding at the commencement of the Tender Offer and €76,658,000 in aggregate principal amount of 2019 Senior Notes representing 26.79% of the 2019 Senior Notes outstanding at the commencement of the Tender Offer. The Company accepted all 2017 Senior Notes and 2019 Senior Notes validly tendered. Following completion of the Tender Offer, $320,872,000 in aggregate principal amount of the 2017 Senior Notes and €209,450,000 in aggregate principal amount of the 2019 Senior Notes remained outstanding. On June 8, 2015, the Company delivered a notice of redemption to the holders to redeem all of the 2017 Senior Notes and 2019 Senior Notes that remained outstanding at a redemption price for the 2017 Senior Notes of 102.125% of the principal amount of the 2017 Senior Notes and a redemption price for the 2019 Senior Notes of 104.438% of the principal amount of the 2019 Senior Notes.

Holders who validly tendered and whose 2017 Senior Notes or 2019 Senior Notes were accepted for purchase in the Tender Offer received total consideration of $1,023.75 per $1,000 principal amount of the 2017 Senior Notes and €1,046.88 per €1,000 principal amount of the 2019 Senior Notes. Holders who validly tendered and whose notes were accepted for purchase in the Tender Offer also received accrued and unpaid interest for such purchased Notes from the last interest payment date to, but not including, the settlement of the Tender Offer equivalent to $12.51 per $1,000 in principal amount of 2017 Senior Notes accepted and €13.07 per €1,000 in principal amount of 2019 Senior Notes accepted.

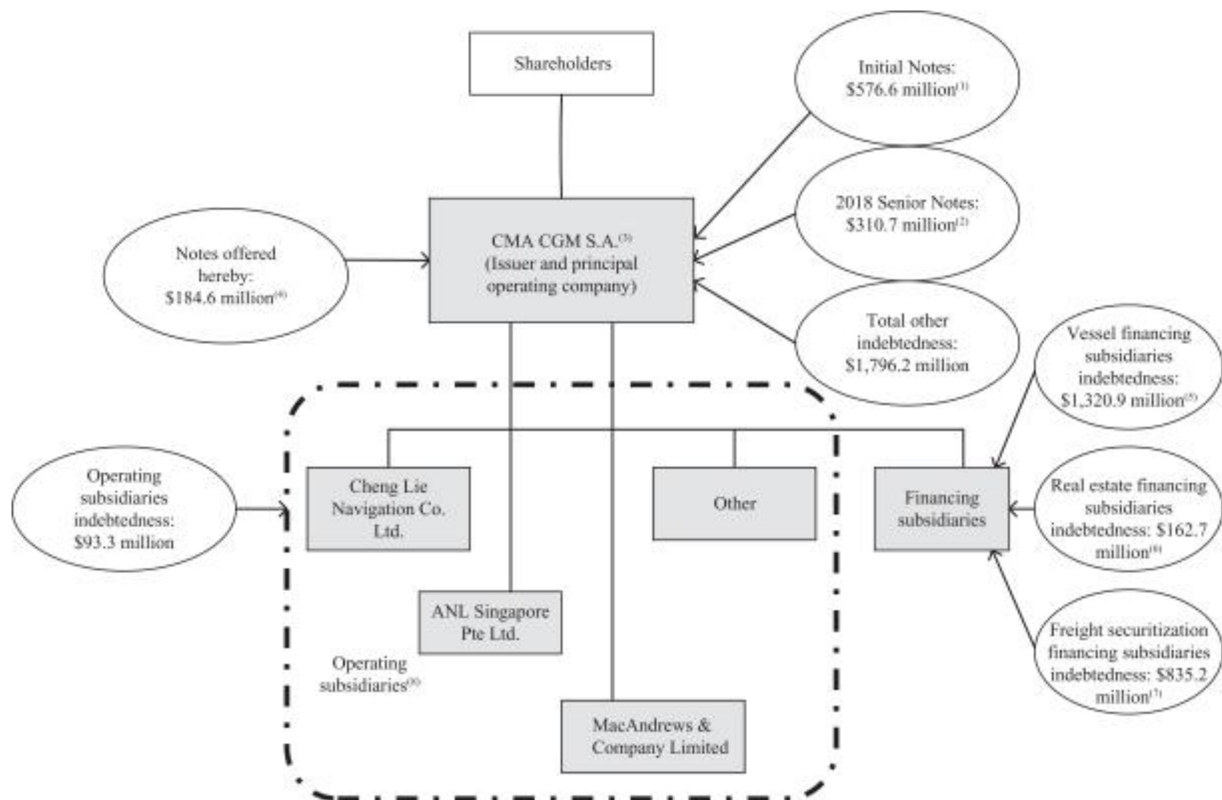
The balance of the proceeds from the issuance of the notes, together with available cash, will be used to fund the redemption of any 2017 Senior Notes or 2019 Senior Notes not tendered pursuant to the Tender Offer. The intended redemption date is July 8, 2015 (the "Redemption Date"). The aggregate principal amount of 2017 Senior Notes to be redeemed is $320,872,000. The aggregate principal amount of 2019 Senior Notes to be redeemed is €209,450,000. The redemption price for the 2017 Senior Notes is 102.125% of the principal amount of the 2017 Senior Notes and the redemption price for the 2019 Senior Notes is 104.438% of the principal amount of the 2019 Senior Notes, plus, in each case, accrued and unpaid interest, if any, to, but excluding, the Redemption Date (each a "Redemption Price"). The accrued interest on each $1,000 principal amount of the 2017 Senior Notes payable on the Redemption Date is $19.60. The accrued interest on each €1,000 principal amount of the 2019 Senior Notes payable on the Redemption Date is €20.46. The Redemption Price for the 2017 Senior Notes is equal to $1021.25 per $1,000 principal amount of the 2017 Senior Notes. The Redemption Price for the 2019 Senior Notes is equal to €1,044.38 per €1,000 principal amount of the 2019 Senior Notes.

Vega Financing Securitization. On May 19, 2015, we launched a consent solicitation and cash tender offer (the "Vega Tender Offer") for all of the outstanding 5.562% Class A Corporate Asset Backed Secured Notes due 2021 of special purpose company, Vega Container Vessel 2006-1 Public Limited Company (the "Class A Notes") at a maximum price of 106% of the principal amount thereof. The Class A Notes were issued in 2006 in connection with a securitization transaction to finance the acquisition of certain vessels. For more information, see "*Description of Certain Financing Arrangements—Vessel Financing Securitization*." 100% of the holders of Class A Notes participated in the Vega Tender Offer to tender their Class A Notes and to affirm their consent to the proposed modifications to the securitization documents. Payment of the consideration for the Vega Tender Offer to holders of the Class A Notes accepted for purchase was made on June 3, 2015 in an aggregate amount of $74.4 million, including accrued and unpaid interest from the last interest payment date up to and including the settlement date of June 3, 2015.

Distributions. We increased our dividend by an amount of up to $40.0 million thereby bringing the total distributions to $80.0 million in respect of the year ended December 31, 2014 (taking into account the interim dividend already paid on March 31, 2015). For more information, see "*Description of Certain Financing Arrangements—Limitations on Distributions*."

CORPORATE AND FINANCING STRUCTURE

The following chart shows a simplified summary of our corporate and financing structure on a pro forma basis as of March 31, 2015, after giving effect to the issuance of the notes and the application of the net proceeds therefrom, including in connection with the current and non-current accounting value of the refinancing of the 2017 Senior Notes and the 2019 Senior Notes, by way of Tender Offer, and pursuant to a redemption notice delivered by the Company on June 8, 2015 in connection with the 2017 Senior Notes and 2019 Senior Notes that remained outstanding following completion of the Tender Offer (the "Redemption"). 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 $1.0759 = €1.00 as of March 31, 2015. For more information, see "*Principal Shareholders*," "*Description of Certain Financing Arrangements*" and "*Description of Notes*."



(1) Net proceeds of the initial notes, after issue discount and estimated costs of issuance.
(2) Aggregate principal amount of the 2018 Senior Notes.
(3) As of March 31, 2015, the Issuer held 49.7% of the group's total assets, excluding investments in the stock of subsidiaries, and generated 73.8% of the group's revenues and 68.2% of the group's EBITDA for the twelve months ended March 31, 2015. The operating subsidiaries are Restricted Subsidiaries for purposes of the indenture governing the notes.
(4) Represents gross proceeds from the additional notes of $188.3 million less initial purchasers' discounts and commissions and $2.7 million of costs of issuance that are capitalized according to IFRS. Gross proceeds from the initial notes were $591.7 million less $8.5 million of costs of issuance that are capitalized according to IFRS.
(5) As of March 31, 2015, the vessel financing subsidiaries held 24.6% 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.
(6) As of March 31, 2015, the real estate financing subsidiaries held 2.7% of the group's total assets, excluding investments in the stock of subsidiaries. The real estate financing subsidiaries are Restricted Subsidiaries for purposes of the indenture governing the notes.
(7) As of March 31, 2015, the freight securitization financing subsidiaries held 0.4% of the group's total assets, excluding investments in the stock of subsidiaries. The freight securitization financing subsidiaries are Restricted Subsidiaries for purposes of the indenture governing the notes.
(8) As of March 31, 2015, the operating subsidiaries accounted for 22.7% of the group's total assets, excluding investments in the stock of subsidiaries, and generated 26.2% of its revenues and 31.8% of its EBITDA for the twelve months ended March 31, 2015.

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	€725,000,000 aggregate principal amount of 7.75% Senior Notes due 2021, comprising €550,000,000 aggregate principal amount of 7.75% Senior Notes due 2021, issued on June 8, 2015 and €175,000,000 aggregate principal amount of 7.75% Senior Notes due 2021, issued on June 12, 2015. The notes were issued under the indenture entered into by the Company, among others, dated June 8, 2015 (the "Indenture"). The additional notes will have substantially the same terms as those of the initial notes. The notes will be treated as a single class for all purposes of the Indenture, including with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise specified with respect to the notes, and will be fully fungible. The additional notes sold pursuant to Regulation S (as defined below) will have different ISINs and common codes than, and will not trade fungibly with, the initial notes sold pursuant to Regulation S during the period prior to and including the 40th day following the date upon which the additional notes were delivered. After the 40th day following the date of delivery of the additional notes, certain selling restrictions with respect to the additional notes sold pursuant to Regulation S will terminate and the additional notes sold pursuant to Regulation S will become fully fungible with, and have the same ISINs and common codes as, the initial notes sold pursuant to Regulation S.
Issue Price	For the initial notes, 98.871%, plus accrued interest if any from June 8, 2015. For the additional notes, 99.500%, plus accrued interest if any from June 8, 2015.
Issue Date	June 12, 2015.
Maturity	The notes will mature on January 15, 2021.
Interest Rate	The notes will bear interest at a rate of 7.75% per year.
Interest Payment Dates	January 15 and July 15, beginning on January 15, 2016.
Ranking	The notes are our unsecured senior obligations, and the notes: • 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 any remaining existing notes following the refinancing of the 2017 Senior Notes and the 2019 Senior Notes; • are 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 • are structurally subordinated to all existing and future debt and obligations of our subsidiaries. As of March 31, 2015, on a *pro forma* basis after giving effect to the issuance of the notes and the use of the net proceeds thereof, including the refinancing of the 2017 Senior Notes and the 2019 Senior Notes pursuant

to the Tender Offer and Redemption, we would have had $5,280.2 million of total indebtedness, of which $93.3 million was debt of our operating subsidiaries and $2,318.9 million was debt of our financing subsidiaries (based on the obligations of the principal obligor only and not reflecting the impact of any guarantees), and $3,923.1 million of our total indebtedness would have been secured indebtedness.

As of and for the twelve months ended March 31, 2015, the Issuer held 49.7% of the group's total assets, excluding investments in the stock of its subsidiaries, and generated 73.8% of its revenues, 68.2% of its EBITDA and 45.3% of its Core EBIT.

Optional Redemption

At any time prior to January 15, 2018, 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 this Luxembourg listing particulars and accrued and unpaid interest to the date of redemption. For more information, see "*Description of Notes—Optional Redemption of Notes*."

In addition, at any time prior to January 15, 2018, we may redeem up to 40% of the aggregate principal amount of the notes with the net cash proceeds from certain equity offerings at a redemption price equal to 107.750% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the redemption date provided that at least 60% of the aggregate principal amount of the notes originally issued remain outstanding after the redemption. For more information, see "*Description of Notes—Optional Redemption of Notes.*"

We may redeem the notes on or after January 15, 2018, in whole or in part, at our option at the redemption prices set forth under the caption "*Description of Notes—Optional Redemption of Notes*," plus accrued and unpaid interest, if any. For more information, see "*Description of Notes—Optional Redemption of Notes*."

In addition, we may redeem all, but not less than all, of the notes upon not less than 10 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*."

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	The net proceeds from the offering of the initial notes were approximately \$576.6 million (using the Company's consolidated balance sheet exchange rate of \$1.0759 = €1.00 as of March 31, 2015), after deducting the initial purchasers' discounts and estimated offering expenses payable by us. The net proceeds from the offering of the additional notes were approximately \$184.6 million (using the Company's consolidated balance sheet exchange rate of \$1.0759 = €1.00 as of March 31, 2015), after deducting the initial purchasers' discounts and commissions and estimated offering expenses payable by us. We expect to use the net proceeds from the offering of the notes, and our available cash, to refinance the remainder of our 2017 Senior Notes and 2019 Senior Notes pursuant to the Tender Offer and Redemption. See "*Use of Proceeds*."
No Prior Market	The notes will be new securities for which there is currently no established 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	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 this Luxembourg listing particulars entitled "*Risk Factors*," and all the other information provided to you in this Luxembourg 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, 13002 Marseilles Cedex 02, France. Our telephone number is +33 (0) 4 8891 9000. We were registered in Marseilles (France) on July 12, 1977.

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, 2012, 2013 and 2014 is derived from our audited consolidated financial statements for the financial years ended December 31, 2013 and 2014 prepared in accordance with IFRS. The summary historical consolidated financial information as of and for the three months ended March 31, 2014 and 2015 is derived from our unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2015 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 March 31, 2015 is the sum of the relevant income statement item for the financial year ended December 31, 2014 and the relevant income statement item for the three months ended March 31, 2015, less the relevant item for the three months ended March 31, 2014. The free English language translation of our audited consolidated financial statements as of and for the years ended December 31, 2013 and 2014 and our unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2015 are included elsewhere in this Luxembourg 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 this Luxembourg listing particulars, and with our unaudited interim condensed consolidated financial statements included elsewhere in this Luxembourg listing particulars.

	For the year ended December 31,			For the three months ended March 31,		For the twelve months ended March 31,
	2012	2013	2014	2014	2015	2015
	($ in millions)					
Consolidated Income Statement Data						
Revenue	**15,923.2**	**15,901.5**	**16,739.1**	**3,940.9**	**4,013.0**	**16,811.2**
Operating expenses[(1)]	(14,617.7)	(14,877.9)	(15,449.3)	(3,673.8)	(3,523.1)	(15,298.6)
Operating profit/(loss) before gains on disposal of property and equipment and subsidiaries, depreciation & amortization, etc.	1,305.5	1,023.6	1,289.7	267.1	489.9	1,512.5
Gains/(losses) on disposal of property and equipment and subsidiaries	18.9	343.8	27.9	19.7	(0.9)	7.3
Depreciation and amortization of non-current assets	(405.6)	(423.4)	(401.1)	(98.5)	(98.0)	(400.6)
Other income and expenses	(45.4)	(123.0)	(83.5)	(5.9)	17.6	(60.0)
Net present value (NPV) benefits related to assets financed by tax lease	95.4	136.9	78.9	17.6	11.2	72.5
Share of profit/(loss) of associates and joint ventures	39.1	18.8	5.7	(0.4)	3.1	9.2
Operating profit after share of profit/(loss) of associates and joint ventures	**1,007.9**	**976.7**	**917.6**	**199.6**	**422.9**	**1,140.9**
Interest expense of borrowings net of interests income on cash and cash equivalent	(343.9)	(327.5)	(278.2)	(74.7)	(59.1)	(262.6)
Other net financial items[(2)]	(129.9)	(117.8)	56.3	(7.0)	71.8	135.1
Income taxes	(64.7)	(100.9)	(84.1)	(14.8)	(22.3)	(91.6)
Profit/(loss) from discontinued operations	**(108.8)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Profit/(loss) for the period	**360.6**	**430.5**	**611.6**	**103.1**	**413.3**	**921.8**
Profit/(loss) for the period for the owners of the parent	**332.0**	**407.8**	**583.6**	**97.1**	**406.4**	**892.9**
Profit/(loss) for the period for the non-controlling interests	**28.6**	**22.6**	**28.0**	**6.0**	**6.9**	**28.9**

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

(2) "Other net financial items" primarily includes changes in fair value and settlement of derivative instruments that do not qualify for hedge accounting. See note 11 to the consolidated financial statements included elsewhere in this Luxembourg listing particulars.

	As of December 31,			As of March 31,
	2012	2013	2014	2015
	($ in millions)			
Consolidated Balance Sheet Data				
Intangible assets	488.0	503.8	512.1	515.6
Vessels	6,041.3	6,120.5	5,974.4	6,015.3
Containers	738.4	605.1	544.9	532.9
Lands, and buildings	627.4	620.4	540.2	479.0
Other properties and equipments	123.5	119.4	110.8	107.4
Other non-current assets[(1)]	1,468.1	1,659.2	1,380.6	1,356.2
of which LTV deposits	200.5	152.3	143.9	142.5
Inventories	484.5	473.7	384.4	321.6
Trade and other receivables	2,230.5	2,288.8	2,382.7	2,259.4
Securities and other current financial assets	12.0	221.8	77.1	97.7
Cash and cash equivalents	601.3	1,410.4	2,186.5	2,218.7
Other current assets[(2)]	215.7	205.8	268.9	313.1
Assets classified as held-for-sale	610.1	47.5	0.5	0.0
Total assets	**13,641.0**	**14,276.4**	**14,363.1**	**14,216.9**
Total equity	**4,039.4**	**4,541.1**	**4,995.3**	**5,305.4**
Non-current borrowings[(3)]	3,741.7	4,823.2	4,409.4	4,270.4
Other non-current liabilities[(4)]	335.6	450.7	442.9	397.9
Current borrowings[(3)]	1,821.5	932.3	1,070.7	942.4
Other current liabilities[(5)]	3,488.2	3,499.6	3,444.8	3,300.8
Liabilities associated with assets classified as held-for-sale	214.6	29.5	0.0	0.0
Total liabilities & equity	**13,641.0**	**14,276.4**	**14,363.1**	**14,216.9**

(1) "Other non-current assets" represents deferred tax assets, investments in associates and joint ventures and derivative financial instruments.
(2) "Other current assets" represents derivative financial instruments, current income tax assets and prepaid expenses
(3) The current and non-current borrowings have been determined as if past breaches of financial covenants had been cured as at December 31, 2012. See "Consolidated balance sheet—Liabilities and equity" of the audited consolidated financial statements as at and for the year ended December 31, 2013.
(4) "Other non-current liabilities" represents derivative financial instruments, deferred tax liabilities, provisions and retirement benefits obligations and non-current deferred income.
(5) "Other current liabilities" represents derivative financial instruments, current portions of provisions, trade and other payables, current income tax liability and current deferred income.

	For the year ended December 31,			For the three months ended March 31,		For the twelve months ended March 31,
	2012	2013	2014	2014	2015	2015
	($ in millions)					
Consolidated Cash Flow Statement Data						
Cash inflow (outflow) from:						
Operating activities	984.5	984.0	1,100.6	167.7	477.7	1,410.6
Investing activities	(183.5)	344.4	155.6	259.2	(95.3)	(198.9)
Financing activities	(928.9)	(581.3)	(844.0)	(293.2)	(219.7)	(770.5)
Net increase (decrease) in cash, cash equivalents and bank overdrafts	(127.8)	747.1	412.2	133.7	162.7	441.2
Cash, cash equivalents and bank overdrafts at the end of the period	582.4	1,329.5	1,741.7	1,463.3	1904.4	1904.4

	As of and for the year ended December 31,			As of and for the three months ended March 31,		As of and for the twelve months ended March 31,
	2012	2013	2014	2014	2015	2015
	($ in millions)					
Other Consolidated Financial Data						
EBITDA[(1)]	1,324.4	1,367.4	1,317.6	286.8	489.0	1,519.8
EBITDA margin[(2)]	8.3 %	8.6 %	7.9 %	7.3 %	12.2 %	9.0 %
Adjusted EBITDA[(1)]	1,305.5	1,023.6	1,289.7	267.1	489.9	1,512.5
Core EBIT[(3)]	1,034.4	755.9	973.2	185.8	406.2	1,193.6

	As of and for the year ended December 31,			As of and for the three months ended March 31,		As of and for the twelve months ended March 31,
	2012	2013	2014	2014	2015	2015
	($ in millions)					
Core EBIT margin	6.5 %	4.8 %	5.8 %	4.7 %	10.1 %	7.1 %
Chartering expenses	1,510.4	1,513.2	1,568.9	387.0	398.9	1,580.8
Interest expense of borrowings net of interests income on cash and cash equivalent[4]	343.9	327.5	278.2	74.7	59.1	262.6
Capital expenditures[5]	290.0	599.5	395.6	85.4	140.0	450.2
Net debt	4,964.0	4,000.6	3,136.3	3,813.6	2,839.4	2,839.4
Adjusted net debt[6]	4,569.2	3,680.6	2,888.8	3,512.8	2,589.8	2,589.8
Adjusted equity	4,214.9	4,786.4	5,262.0	4,884.6	5,627.8	5,627.8
Pro forma cash and cash equivalents, securities and LTV deposits[7]						2,396.9
Pro forma adjusted net debt[8]						2,633.7
Pro forma adjusted equity[9']						5,583.8
Pro forma net interest expense[10]						261.4
Ratio of *pro forma* adjusted net debt to Adjusted EBITDA[11]						1.74x
Ratio of Adjusted EBITDA to *pro forma* net interest expense[12]						5.79x
Gearing ratio[13]	1.08x	0.77x	0.55x	0.72x	0.46x	0.47x[14]

(1) EBITDA is, as mentioned in the Audited Consolidated Financial Statements included elsewhere in this Luxembourg listing particulars, the sum of the following income statement captions: "Operating profit/(loss) before gains on disposal of property and equipment and subsidiaries, depreciation & amortization, etc" and "Gains on disposal of property and equipment and subsidiaries". "Adjusted EBITDA" represents EBITDA less gains/(losses) on disposal of property and equipment and subsidiaries. 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).

(2) EBITDA margin represents EBITDA divided by revenue.

(3) Core EBIT represents EBIT less gains/losses from asset disposals and adding back other income and expenses. The following table reconciles Core EBIT to EBIT (i.e., operating profit).

(4) Cost of borrowings net of interest income on cash and cash equivalent represents interest expense on financial debt, less interest income on cash and cash equivalents.

(5) 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.

(6) Net debt represents non-current and current borrowings plus borrowings 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 borrowings 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.

(7) *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, including the refinancing of the 2017 Senior Notes and the 2019 Senior Notes, either pursuant to the Tender Offer or Redemption pursuant to the notice delivered on June 8, 2015, in each case as if such event had occurred on March 31, 2015. U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of $1.0759 = €1.00 (the exchange rate as of March 31, 2015 used by the Company for its consolidated balance sheet as of such date). See "*Use of Proceeds*" and "*Capitalization*."

(8) *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, including the refinancing of the 2017 Senior Notes and the 2019 Senior Notes, either pursuant to the Tender Offer or Redemption pursuant to the notice delivered on June 8, 2015, in each case as if such event had occurred on March 31, 2015. U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of $1.0759 = €1 (the exchange rate as of March 31, 2015 used by the Company for its consolidated balance sheet as of such date). See "*Use of Proceeds*" and "*Capitalization*."

(9) *Pro forma* adjusted net equity represents adjusted equity, as further adjusted to give effect to the issuance of the notes and the application of the net proceeds therefrom, including the refinancing of the 2017 Senior Notes and the 2019 Senior Notes, either pursuant to the Tender Offer or Redemption pursuant to the notice delivered on June 8, 2015, in each case as if such event had occurred on March 31, 2015. U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of $1.0759 = €1 (the exchange rate as of March 31, 2015 used by the Company for its consolidated balance sheet as of such date). See "*Use of Proceeds*" and "*Capitalization*."

(10) *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, including the refinancing of the 2017 Senior Notes and the 2019 Senior Notes, either pursuant to the Tender Offer or Redemption pursuant to the notice delivered on June 8, 2015, in each case as if such event had occurred on March 31, 2015. U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of $1.0759 = €1 (the exchange rate as of March 31, 2015 used by the Company for its consolidated balance sheet as of such date). See "*Use of Proceeds*" and "*Capitalization*."

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

(12) We define the ratio of Adjusted EBITDA to *pro forma* net interest expense as Adjusted EBITDA divided by *pro forma* cost of borrowings net of interest income on cash and cash equivalent.

(13) 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:
(14) *Pro forma* gearing ratio calculated as *pro forma* adjusted net debt to *pro forma* adjusted equity.

	For the year ended December 31,			For the three months ended March 31,		For the twelve months ended March 31,
	2012	2013	2014	2014	2015	2015
	(TEU thousands, except number of ships and average revenue per TEU)					
Operational Data						
Volumes transported	10,603.1	11,304.8	12,223.7	2,801.6	3,094.5	12,516.6
Total fleet capacity[1]	1,445.8	1,555.5	1,649.3	1,560.7	1,769.3	1,769.3
Container fleet (TEU)	2,155	2,101	2,488.8	2292.7	2,558.5	2,558.5
Number of owned container ships	84	81	79	80	79	79
Capacity of owned container ships	509.9	536.0	525.8	527.4	543.1	543.1
Number of chartered container ships	330	347	367	349	386	386
Capacity of chartered container ships	935.9	1,019.5	1,123.5	1,033.3	1,226.2	1,226.2
Average revenue per TEU[2]	1,501.8	1,406.6	1,369.4	1,406.7	1,296.8	1,343.1

(1) Controlled capacity, including vessels chartered out to third parties.
(2) Average revenue per TEU represents total revenue divided by total TEU volumes transported.

	For the year ended December 31,			For the three months ended March 31,		For the twelve months ended March 31,
	2012	2013	2014	2014	2015	2015
	($ in millions)					
Bunkers and consumables	3,845.1	3,537.8	3,493.9	868.8	609.7	3,234.8
Chartering and slot purchase	1,747.8	1,781.1	1,805.0	427.0	452.2	1,830.2
Handling and stevedoring	3,401.9	3,588.2	3,879.4	890.3	962.6	3,951.7
Inland and feeder transportation	1,533.8	1,681.7	1,802.7	415.5	440.1	1,827.3
Port and canal	1,028.4	1,102.0	1,183.5	274.8	282.6	1,191.3
Container rentals and other logistic expenses	1,139.0	1,229.2	1,296.4	313.6	316.2	1,299.0
Employee benefits	1,088.8	1,143.8	1,201.9	293.5	287.4	1,195.8
General and administrative other than employee benefits	619.3	604.4	602.0	158.0	141.2	585.2
Additions to provisions, net of reversals and impairment of inventories and trade receivables	50.8	27.8	11.1	2.4	10.6	19.3
Operating exchange losses/(gains), net	(0.1)	(17.4)	(53.4)	(21.4)	(29.9)	(61.9)
Other operating expenses, net	163.0	199.3	226.8	51.3	50.4	225.9
Operating expenses	**14,617.8**	**14,877.9**	**15,449.3**	**3,673.8**	**3,523.1**	**15,298.6**

	For the year ended December 31,			For the three months ended March 31,		For the twelve months ended March 31,
	2012	2013	2014	2014	2015	2015
	($ in millions)					
Operating profit after share of profit of associates and joint ventures	**1,007.9**	**976.7**	**917.6**	**199.6**	**422.9**	**1,140.9**
Plus: Depreciation and amortization of non-current assets	405.6	423.4	401.1	98.5	98.0	400.6
Plus: Other income and expenses	45.4	123.0	83.5	5.9	(17.6)	60.0
Less: Net present value (NPV) benefits related to assets financed by tax leases	(95.4)	(136.9)	(78.9)	(17.6)	(11.2)	(72.5)
Less: Share of profit/(loss) of the associates and joint ventures	(39.1)	(18.8)	(5.7)	0.4	(3.1)	(9.2)
EBITDA	**1,324.4**	**1,367.4**	**1,317.6**	**286.8**	**489.0**	**1,519.8**
Less: Gains on disposal of property and equipment and subsidiaries	(18.9)	(343.8)	(27.9)	(19.7)	0.9	(7.3)
Adjusted EBITDA	**1,305.5**	**1,023.6**	**1,289.7**	**267.1**	**489.9**	**1,512.5**

	For the year ended December 31,			For the three months ended March 31,		For the twelve months ended March 31,
	2012	2013	2014	2014	2015	2015
	($ in millions)					
Operating profit/(loss) after share of profit of associates and joint ventures	**1,007.9**	**976.7**	**917.6**	**199.6**	**422.9**	**1,140.9**
Less: Gains on disposal of property and equipment and subsidiaries	(18.9)	(343.8)	(27.9)	(19.7)	0.9	(7.3)
Less: Other income and expenses	45.4	123.0	83.5	5.9	(17.6)	60.0
Core EBIT	**1,034.4**	**755.9**	**973.2**	**185.8**	**406.2**	**1,193.6**

	For the year ended December 31,			For the three months ended March 31,	
	2012	2013	2014	2014	2015
	($ in millions)				
Capital Expenditures					
Ships	179.7	459.9	141.8	3.0	113.7
Containers	56.7	37.8	147.8	56.6	4.5
Software	27.7	70.8	77.3	17.0	17.2
Other[1]	25.9	31.0	28.7	9.0	4.6
Total	**290.0**	**599.5**	**395.6**	**85.6**	**140.0**

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

	As of December 31,			As of March 31,	
	2012	2013	2014	2014	2015
	($ in millions)				
Total debt (current and non-current portion)	5,563.2	5,755.6	5,480.1	5,479.9	5,212.8
Plus: Liabilities associated with assets classified as held for sale	214.6	29.5	0.0	0.1	0.0
Less: Cash and cash equivalents	(601.3)	(1,410.4)	(2,186.5)	(1,494.9)	(2,218.7)
Less: Securities	(12.0)	(221.8)	(13.4)	(9.1)	(12.2)
Less: LTV deposits[1]	(200.5)	(152.3)	(143.9)	(162.4)	(142.5)
Net debt	**4,964.0**	**4,000.6**	**3,136.3**	**3,813.6**	**2,839.4**
Less: Portion of bonds redeemable in shares (ORA) accounted for as financial debt	(221.6)	(314.3)	(259.3)	(314.3)	(259.3)
Less: Liabilities associated with assets classified as held-for-sale	(214.6)	(29.5)	(0.0)	(0.1)	0.0
Plus: Restricted cash	41.4	23.8	11.8	13.6	9.7
Adjusted net debt	**4,569.2**	**3,680.6**	**2,888.8**	**3.512.8**	**2,589.8**

(1) LTV deposits represent 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 18 to our 2014 audited consolidated financial statements.

	As of December 31,			As of March 31,	
	2012	2013	2014	2014	2015
	($ in millions)				
Total equity	**4,039.4**	**4,541.1**	**4,995.3**	**4,635.3**	**5,305.4**
Plus: Portion of bonds redeemable in shares (ORA) accounted for as financial debt	221.6	314.3	259.3	314.3	259.3
Less: Currency translation reserve	(46.1)	(69.0)	7.4	(65.0)	63.0
Adjusted equity	**4,214.9**	**4,786.4**	**5,262.0**	**4,884.6**	**5,627.7**

RISK FACTORS

An investment in the notes involves a high degree of risk. In addition to the other information contained in this Luxembourg 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.

*This Luxembourg 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 this Luxembourg 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. Likewise, freight rates are highly volatile, primarily due to variations in the demand for container shipping services and the global supply of capacity. Supply and demand balance may differ on a region by region basis.

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 been a challenge for the industry and the market is currently generally oversupplied as result of the high levels of new ordering which occurred in the past years, combined with the soft macro-economic conditions. 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 the 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. Moreover, due to the impact of varying local demand conditions combined with liners' capacity management decisions on a trade by trade basis, regional supply demand balance may not be correlated and may differ 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. More recently, carriers have sought to order larger more efficient vessels in order to reduce unit costs, hence maintaining their profitability even under low freight rates. 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 about 25 years and must be ordered up to two 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 April 2015 onwards represents 19% of current capacity or 3.59 million TEU, with c. 1.9 million TEU expected to be delivered over 2015. This orderbook, as well as our orderbook, is heavily skewed towards larger vessels, which have the greatest impact on the supply to demand balance. As

of April 1, 2015, the orderbook for vessels above 10,000 TEU represents about 63% of the total orderbook in terms of capacity, with 56 vessels in the range of 18,000 to 21,000 accounting for about 30% of the total orderbook. 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 on the Asia North Europe trade have decreased from an average of $1,263 per TEU in February 2014 to an average of $823 per TEU in November 2014. 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 2015, according to the Drewry Q1 2015 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 only time in history and freight rates plummeted. Other examples are the 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 and the decreased volumes out of Asia as a result of lower than expected output in China in March 2015. 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.

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. Smaller competitors can 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. 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. As part of industry consolidation, we may pursue growth through selective acquisitions and/or strategic investments. Acquisitions could involve numerous additional risks such as potential loss of customers or key employees of acquired companies, assumption of unknown material liabilities, diversion of management resources, and failure to achieve financial or operating objectives. See "*—Our future success depends on our ability to achieve and manage growth.*"

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 March 31, 2015, we operated 465 container vessels, of which we owned 79, or 30.7% of our fleet by capacity, chartered 41 or 17.9% of our fleet by capacity, with a remaining charter duration of more than five years, chartered 22 or 5.3% of our fleet by capacity, with a remaining charter duration ranging between one and five years and chartered 323 or 46.1% 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. As the current industry orderbook mainly focuses on larger vessels, supply of smaller vessels might be limited and could result in future increases in charter rates for those vessels, as see recently for some sub-4,000 TEU vessels. 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 and early-mid 2010 to early 2012 periods. 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 15.2% of our revenue in the three months ended March 31, 2015 and 20.9% of our revenue in the year ended December 31, 2014. The price of bunker fuel is driven by crude oil prices. Crude oil prices have historically exhibited significant volatility in short periods of time, although prices have recently significantly decreased compared to the prevailing levels of recent years. 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. Lastly, specific regulations require that we use low-sulfur bunker in certain designated areas. Such low-sulfur bunker is more costly than regular bunker. 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 2014 by approximately $300 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, 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, the Gulf of Aden, the Indian Ocean off Somalia and the Gulf of Guinea. We operate significant lines in these areas. From 2008 to 2012, the frequency of piracy incidents against commercial shipping vessels increased significantly, particularly in the Gulf of Aden. Increased policing efforts and intensified naval operations had by the end of 2012 led to a significant drop in successful pirate attacks in the Indian Ocean. Since 2008, there has also been an increase in acts of piracy in the Gulf of Guinea on the west coast of Africa, as well as in South East Asia. In 2012, it was reported that the number of vessels attacks by West African pirates had reached a world high. By the end of 2013, pirate attacks in the Gulf of Guinea maintained a steadily high level of attempted hijackings in the year, following closely behind Southeast Asia. If any of our vessels are captured by pirates, we could be forced to pay significant ransoms to secure their release. In case of ransom, payments would be performed via our insurers, with whom we have dedicated contracts. 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;
- piracy and terrorism; and
- major search and rescue operations, as is the case in the Mediterranean Sea since 2013, as a result of very high numbers of rescued migrants on board a vessel can result in lower safety and security of a vessel as its equipment and design may not be adequate for such a high number of passengers.

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, our vessels call at ports throughout the world, including in some countries where corruption is endemic. Although we have a strict policy prohibiting our employees or persons associated with us from offering or promising any personal or improper benefits in order to obtain or retain a business or other advantage from a partner, whether public or private, we cannot guarantee that such payments may not be made despite our policy 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 potential 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. As of April 2015, there were 25 signatories, with three 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.

Reduction of sulfur emissions from ships, ballast water management, shore power connection at berth, energy efficiency standards, ship dismantling and recycling, carbon tax and emission trading schemes are various examples of increasing stringent regulations for shipping, with a lot of uncertainty in terms of technical/operational requirements and availability of solutions, as well as legal planning and enforcement issues, while there may be conflicting regulations between local, regional and international levels.

Although we have specific procedures and sufficient organization to follow, monitor and promote our positions at all applicable levels, we cannot guarantee that we can ensure full compliance at all times. In such case, such failure to comply with environmental regulations 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.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the United States 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. In addition, 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. In October 2013, we entered into a strategic partnership with SAP for the development of a new IT system that would entirely replace our existing systems. Deployment of this new system is currently expected to be implemented in phases starting in 2017 and 2019. Implementation of the new system 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, nor as to the actual timetable for transition to these new systems. 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, cyber security attacks, 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.

While, to date, we have not experienced a material breach of cyber security, administrative and technical controls and other preventive actions we take to reduce the risk of cyber incidents and protect our information technology may be insufficient to prevent physical and electronic break-ins, cyber attacks or other security breaches to our computer systems. In the event of unauthorized access, computer viruses, malware or other malicious code or cyber-attack, system failures, disruptions and other events such as unanticipated problems with our disaster recovery systems could have a material adverse impact on our ability to conduct business and on our results of operations and financial position, particularly if those problems affect our computer-based data processing, transmission, storage and retrieval systems and destroy valuable data.

As of June 1, 2015, we expect that we will have in place cyber liability insurance that provides both third party liability and first party insurance coverage. However, our insurance may not be sufficient to protect against all loss and may not cover all costs associated with the consequences of personal and confidential and proprietary information being compromised. In some cases, such unauthorized access may not be immediately detected. This may impede or interrupt our business operations. As a result, a cyber insurance policy notwithstanding, in the event of a material cyber security breach, our results of operations could be materially, adversely affected.

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. Such cooperation agreements also allow us to increase the size of the vessels we deploy as we benefit from pooled volumes and assets, and therefore lower unit costs and breakeven levels. 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 announced in September 2014 and started in early January 2015, a global alliance with CSG and UASC on east-west worldwide trades, called the Ocean 3 alliance. The Ocean 3 alliance operates 192 vessels on 20 fixed-day weekly loops on the three main worldwide trade lanes, i.e., Asia-Europe, Transpacific and Transatlantic, for a total capacity of 1.74 million TEU, of which we account for 47.6%. Implementation of the Ocean 3 alliance has been approved by the U.S. Federal Maritime Commission and was not subject to other relevant regulatory authorities due to our combined market shares below 30% on each trade. Our participation in the Ocean 3 alliance offers an opportunity to lower our cost base by improving slot utilization, maintaining our use of slow steaming and expanding our service without making additional investments in vessels.

Labor disturbances could disrupt our business.

As of December 31, 2014, we employed approximately 18,000 employees globally, including 4,171 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 (the “Tonnage Tax Regime”) (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.

There can be no assurance that we will not breach the covenants in our financing arrangements.

We have breached the covenants in our financing arrangements on two occasions in the past. 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 as part of the 2012 Restructuring Principles. These covenants include minimum cash requirements, a maximum gearing ratio and restrictions on additional long term chartering and capital expenditures. There has been no breach of any financial covenant since implementation of the 2012 Restructuring Principles. However, 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 $140.0 million in the three months ended March 31, 2015. 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 the international accounting standard board ("IASB") expects to issue the new standard by the end of 2015 but has not yet discussed an effective date.

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 strategic acquisitions, which may vary in size and may be significant in scope in relation to our current operations. 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 15.5% of our volumes for the twelve months ended March 31, 2015. 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. Our available cash balances are also subject to devaluations and fluctuations in currency exchange rates. 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 March 31, 2015, taking into account the interest rate hedges, indebtedness bearing interest at variable rates represented 49% of our total indebtedness. 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 March 31, 2015, we had hedged 11.0% 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 BPI), 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 BPI subscription to ORA, Yildirim and BPI were granted board seats and veto rights over certain transactions. Assuming full conversion of the ORA, Yildirim and BPI 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 BPI are each currently in a position to prevent certain transactions and more generally to exercise influence over our strategy and business. Yildirim’s and BPI’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, and Rodolphe 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, Vice Chairman, Deputy General Manager and Director, Tanya Saadé-Zeenny, Deputy General Manager and representative of Merit on the Board of Directors 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. Although Rodolphe Saadé was named Vice Chairman in 2014, 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 States. 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. Payments made to certain sanctioned organizations and individuals are also restricted under U.S. regulation. 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. In response to recent developments in eastern Ukraine, the EU expanded its restrictive measures against Russia by implementing a third phase of sanctions,

which targets specific sectors of the Russian economy, as well as named individuals and entities. Russia's capital markets, energy and defense sectors were targeted by the sanctions which came into force on August 1, 2014. The EU has published further sanctions against Russia which came into force on September 12, 2014. While the sanctions do not specifically target the shipping industry, they will have knock-on repercussions for EU shipping and export businesses that do business with Russia and/or Ukraine as the sanctions prohibit the sale, supply, transfer or export of certain oil and gas equipment and technology and dual-use items. This has had an impact on cargo volumes on trades between Russia, and Europe and the United States.

If any worsening or increase of the risks described above materializes, this could have a material adverse effect on our business, results of operations and financial condition.

Adverse developments in the economic situation in Greece and concerns regarding the instability of the Eurozone may adversely affect us.

Concerns regarding the creditworthiness of the sovereign debt of various Eurozone countries, including Greece, have resulted in a number of sovereign ratings downgrades since 2011. Despite the recent improvement in the European financial markets, the outcome of the sovereign credit crisis still remains uncertain. Sovereign debt defaults and European Union and/or Eurozone exits (whether involving Greece or other countries) could have a material adverse effect on us by, for example, impacting the cost and availability of credit to us and causing uncertainty and disruption in relation to financing.

Although Greece has undertaken significant structural measures to restore competitiveness and promote economic growth through the economic adjustment program (the "Economic Adjustment Program") agreed with the International Monetary Fund, the European Central Bank and the European Union over the past four years, there is a risk again that Greece may resolve to exit the Eurozone if Greece cannot or decides not to comply with its obligations under the Economic Adjustment Program. In addition to potentially negatively impacting our operations in Greece, any of these developments could affect the stability of the Eurozone in general and may adversely affect 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.

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 an innovative 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 5.0% to 7.0%) 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, although other shipyards may consider entering such financings) 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, or for further significant amounts 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 March 31, 2015, on a pro forma basis to give effect to the issuance of the notes and the use of the net proceeds therefrom, including the refinancing of the 2017 Senior Notes and the 2019 Senior Notes, either pursuant to the Tender Offer or Redemption:

- our total consolidated indebtedness would have been $5,280.2 million, of which approximately $184.6 million would have been indebtedness incurred in this offering and $2,412.2 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 $5,261.5 million; and
- our total consolidated indebtedness would have represented 50.1% 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.

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, including stock of restricted subsidiaries, consolidate or merge with or into other companies;
- permit our restricted subsidiaries to guarantee payment of debt;
- enter into unrelated businesses; 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 March 31, 2015, we had $3,923.1 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 March 31, 2015, on a combined basis, our subsidiaries had $2,412.2 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 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, which have been substantially modified as a result of Ordinance No. 2014-326 of March 12, 2014. French insolvency proceedings affecting creditors include: (i) court-assisted pre-insolvency proceedings (*mandat ad hoc* proceedings or conciliation proceedings *(procédure de conciliation*)), and (ii) court-controlled insolvency proceedings (safeguard proceedings (*procédure de sauvegarde*), accelerated safeguard proceedings (*procedure de sauvegarde accélérée*), accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*, known as "SFA proceedings"), judicial reorganization proceedings (*redressement judiciaire*), or judicial liquidation proceedings (l*iquidation 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) 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, in case of conciliation proceedings only; while being cash flow insolvent for less than 45 days.

Mandat ad hoc and conciliation proceedings are informal amicable proceedings carried out under the supervision of the President of the relevant commercial court. The President of the commercial court will appoint an independent third party (a *mandataire ad hoc* or a *conciliateur*) and will determine such person's assignment, which usually is to assist the debtor to negotiate on a purely consensual and voluntary basis with all or some of its creditors and/or trade partners with a view to restructuring its indebtedness in order to end its difficulties. Agreements reached through such

proceedings are not binding on third parties, and the *mandataire ad hoc* or the *conciliateur*, although reporting to the court, has: (i) no legal coercive power over creditors; and (ii) no authority to compel the parties to accept an agreement.

As a result of Ordinance No. 2014-326 of March 12, 2014, any contractual provisions that would (i) accelerate the payment of the debtor's obligations as a direct result of the opening of amicable proceedings (*mandat ad hoc* or *conciliation*), or (ii) provide that the debtor is obliged to pay creditor's counsel's fee in such proceedings in excess of a proportion fixed by order of the Minister of Justice (currently: 75% of the fees) as a direct result of such amicable proceedings, are deemed null and void.

Mandat ad hoc proceedings. Such proceedings are confidential. The agreement reached between the debtor and all or some of its creditors (if any) will be reviewed by the court but, unlike in conciliation proceedings, French law does not provide for any specific consequences of 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. The assignment of the *conciliateur* is the same as the assignment of the *mandataire ad hoc*, but the *conciliateur* may (at the request of the debtor and after consultation with creditors participating in the negotiation in the course of conciliation proceedings) also make preparations for the disposal of all or any part of the debtor's business within the framework of conciliation proceedings with a view to implementing such sale in subsequent insolvency proceedings in the form of a "plan for the disposal of the business" (*plan de cession*).

If an agreement is reached between the debtor and all or some of its creditors in the context of conciliation proceedings, such agreement may be either: (i) upon all parties' request, acknowledged (*constaté*) by the President of the court, or; (ii) upon the debtor's request (and provided that certain conditions are satisfied), approved (*homologué*) by the court.

Pursuant to article 1244-1 *et seq*. of the French civil code, the President of the court who has opened conciliation proceedings, may, when so requested by the debtor and after examining the *conciliateur*'s comments (i) defer or otherwise reschedule the payment date of a debt due by the debtor to a creditor (for a maximum period of two years), and (ii) decide that such amounts will bear interest at a rate that is lower than the contractual rate of interest (but not lower than the legal rate as published annually by decree) or that payments made shall first be allocated to repayment of the principal rather than interest, and such order of the president in each case may be conditional on the conclusion of a conciliation agreement.

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 immediately 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 agreement constituting a judicial title (*titre exécutoire*):

- creditors who, in the course of conciliation proceedings, provide new money, goods or services in order to ensure the continuation of the business of the debtor (other than shareholders who provide new equity) will enjoy priority status 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 (including accelerated financial safeguard or SFA proceedings), judicial reorganization proceedings or judicial liquidation proceedings; and
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date on which the debtor became cash-flow insolvent (date de cessation des paiements) cannot be determined by the court as having occurred earlier than the date of the approval of the agreement, except in the event of fraud.

In case of breach of the conciliation agreement, whether such agreement has been 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.

To be eligible for the accelerated safeguard proceedings or SFA proceedings described below, a debtor must be subject to ongoing *conciliation* proceedings, and (i) a draft restructuring plan must have been negotiated, and (ii) such plan must be likely to receive support from a sufficiently large number of those creditors who will be affected by the opening of subsequent accelerated safeguard or SFA proceedings in order to make its adoption by the requisite number of creditors (as described below) realistic.

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) accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) (applicable to large companies), if such company: (i) while not being cash flow insolvent, is facing difficulties which it cannot overcome; and (ii) has already negotiated, in the context of conciliation proceedings, a draft safeguard plan ensuring the continuation of its business as a going concern which is supported by a sufficient number of its creditors so that its adoption by the creditors' committees by a two-thirds majority (see below) will be realistic within a maximum period of three months' from the opening of the accelerated safeguard proceedings;

(c) SFA proceedings, under the same conditions as those provided for accelerated safeguard proceedings above, except that in SFA proceedings the draft safeguard plan is only required to be supported by two-thirds of its financial creditors and the maximum period in which such draft safeguard plan may be adopted is one month (renewable once) from the opening of the proceedings; or

(d) 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, accelerated safeguard or SFA proceedings, it is required to file for bankruptcy within 45 days of the date from which 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 and supervises and/or assists the debtor in the operation of the business of the company during the observation period, which may last for up to 18 months. In accelerated safeguard proceedings such period is reduced to three months. In SFA proceedings, such period is reduced to one month and is 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. It is notable that, contrary to section 363 of Chapter 11 of the United States Bankruptcy Code, article L. 642-5 of the French commercial code provides that, among competing bids for the acquisition of all or some part of the debtor's business, the court shall retain the offer that best ensures the preservation of employees' jobs and the payment of creditors, and presents the best chances of being performed. In practice, French courts tend to favor the number of employees' jobs preserved rather than the purchase price proposed by the bidder. Accordingly, even a monetarily low offer may be approved by the court in certain circumstances.

At any time if there is no chance of recovery, the court must convert those proceedings into judicial liquidation, which will culminate in the sale of the business or the winding-up of the company (*liquidation judiciaire*).

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 insolvency 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 (juge commissaire). From the date of the judgment commencing the proceedings, creditors (including secured creditors) may not initiate or pursue any individual debt collection or assimilated legal action against the company with respect to any claim arising prior to the judgment commencing insolvency proceedings. Contractual provisions that would accelerate the payment of the debtor's obligations upon the occurrence of certain bankruptcy events (including the opening of insolvency proceedings) are not enforceable under French law.

Creditors (other than employees) domiciled in continental France whose debts arose prior to the judgment commencing of insolvency proceedings (*jugement d'ouverture*) (whether such proceedings are safeguard proceedings, accelerated safeguard or SFA proceedings, judicial reorganization proceedings or judicial liquidation proceedings) must file a claim with the creditors' representative within two months of the publication of the judgment commencing insolvency 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 insolvency 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 insolvency proceedings, the accrual of interest is suspended (except in respect of loans providing for a term of at least one year and contracts containing deferred payment / credit terms exceeding one year).

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

Transactions voidable by the court include any payment made by the debtor in respect of a debt that was due and payable 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 judicial 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, such draft plan being prepared by the debtor's management, (ii) its sale under reorganization proceedings, in the case of conversion into judicial liquidation proceedings or as part of a pre-packed sale prepared during *conciliation* proceedings, or (iii), its winding-up in case of conversion of these proceedings into judicial liquidation proceedings. Whenever possible, continuation of the company is 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 (the first for financial creditors having a claim against the debtor, including shareholders if they have made outstanding loans available to the debtor, and the second for suppliers having a claim against the debtor that represents more than 3.0% of the total amount of the claims of all of the debtor's suppliers) must be established. In such circumstances, any creditor who is a member of one of such creditors' committees is entitled to submit an alternative draft safeguard or reorganization plan to the court.

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 draft plan(s) (both the plan drafted by the debtor's management and any plan prepared and proposed by creditors). In the case of a safeguard plan, 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 bondholders 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 draft plan(s) are submitted to the court, which will decide if one of them is to be approved (*arrêté*). In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected. The plan must be realistic and ensure the continuity of the company. 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. Where the debtor's situation has improved and allows a substantial modification of the plan to the benefit of the creditors, the supervising officer (commissaire a l'execution du plan) shall be entitled to request the Court to order such amendments.

In the event that any committee, or the bondholders' general meeting (if there is one), 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 ranking to the payment of certain creditors, including employees who benefit from first a priority ranking (*super-privilège*) (which primes even secured creditors), the French treasury, secured creditors who hold certain types of security interest (such as "Dailly" assignments," mortgages and share pledges) and post-petition creditors under certain conditions.

Accelerated safeguard and SFA proceedings will essentially follow the same rules as those applicable to safeguard proceedings, subject to some differences, the most significant of which being mentioned above.

A trading market for the notes may not develop.

With respect to additional notes sold pursuant to Regulation S, after the 40th day following the date of delivery of the additional notes, the additional notes sold pursuant to Regulation S will constitute a single class of securities with the initial notes and will have the same ISINs and common codes as the initial notes sold pursuant to Regulation S. Accordingly, there can be no assurance as to the development or liquidity of any market for the notes sold pursuant to Regulation S until the end of this time period. 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. We cannot guarantee that the application we have made 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 on Designation of Unrestricted and Restricted Subsidiaries;
- Limitation on Lines of Business; and
- Certain provisions on 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 were issued in fully registered form. The notes were deposited, on the relevant 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 Agent. The Paying Agent will, in turn, make such payments to the common depositary or its nominee for Euroclear and 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 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 through 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 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 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.*"

Purchasers and sellers of the notes may be subject to taxation.

Potential purchasers and sellers of the notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the tax treatment of financial instruments such as the notes. Potential investors cannot rely upon the tax summary contained in this Luxembourg listing particulars but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the notes. Only such adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

The EU Savings Directive.

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC on the taxation of savings income under the form of interest payments (the "Savings Directive"). The Savings Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria is instead required to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

On March 24, 2014, the Council of the European Union adopted a Directive amending the Savings Directive (the "Amending Directive"), which, when implemented, will broaden the scope of the requirements described above. In particular, the Amending Directive will broaden the scope of the Savings Directive to new types of savings income and products that generate interest or equivalent income, to new beneficiaries of such payments and to new categories of entities required to provide information and/or withhold tax pursuant to the Savings Directive and will require additional steps to be taken in certain circumstances to identify the beneficial owner of interest (and other income) payment, through a "look through" approach. The EU Member States will have until January 1, 2016 to adopt the national legislation necessary to comply with this Amending Directive and are required to apply these new requirements from January 1, 2017.

On March 18, 2015, the European Commission proposed to repeal the Savings Directive as restated by the Amending Directive from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). According to the European Commission, the repeal is appropriate because the automatic exchange of information between the EU Member States is sufficiently provided for by the directive 2014/107/EU dated December 9, 2014 amending the directive 2011/16/EU as regards the mandatory automatic exchange of information in the field of taxation (the "Cooperation Directive"). As a consequence of the proposed repeal, the EU Member States would no longer be obliged to implement the Amending Directive but would still be required to implement automatic exchange of information as provided for by the Cooperation Directive.

Investors should inform themselves of, and where appropriate take advice on the impact of the Savings Directive, the Amending Directive and the Cooperation Directive on their investment.

If a payment were to be made or collected through a Member State which has opted for a withholding system under the Savings Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note, as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

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

On February 14, 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common financial transactions tax (the "FTT") to be implemented under the enhanced cooperation procedure by eleven Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovenia and Slovakia (the "Participating Member States").

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in 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. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 would be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in notes where at least one party

is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State. A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by January 1, 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. If the proposed directive or any similar tax were adopted, transactions in the notes would be subject to higher costs, and the liquidity of the market for the notes may be diminished.

Prospective holders of notes are advised to seek their own professional advice in relation to the consequences of the FTT associated with subscribing for, purchasing, and disposing of the notes.

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 Marseilles, France. The Issuer was registered on July 12, 1977 with the Trade and Companies Registry (*Registre du Commerce et des Sociétés*) of Marseilles 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. 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-Guyane

CMA CGM Antilles-Guyane is a joint stock company (*société par actions simplifiée*) 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 Marseilles, France. CMA CGM Antilles-Guyane provides container shipping services on France-Caribbean and France-West Indies trade lanes. CMA CGM Antilles-Guyane is a wholly-owned subsidiary of the Issuer. For the year ended December 31, 2014, profit arising out of ordinary activities was incurred by CMA CGM Antilles-Guyane and the Issuer received dividends of €76.4 million from CMA CGM Antilles-Guyane. As of March 31, 2015, the reserves of CMA CGM Antilles-Guyane amounted to €7.6 million. As of March 31, 2015 the outstanding amount owed to CMA CGM Antilles-Guyane by the Issuer was $6.5 million.

ANL Singapore Pte Ltd

ANL Singapore 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 provides container shipping services on certain trade lanes in Oceania. ANL Singapore 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, 2014, profit arising out of ordinary activities was incurred by ANL Singapore. As of March 31, 2015, the reserves of ANL Singapore amounted to AU$256.2 million. As of March 31, 2015, the outstanding amount owed to ANL Singapore by the Issuer was $361.5 million.

Cheng Lie Navigation Co. Ltd

Cheng Lie Navigation is a Company Limited by Shares incorporated in Taiwan and organized under the laws of Taiwan with a share capital of $21.1 million and its principal executive registered offices at 13.14F, No 10 Minsheng E Road, Sec 3, Taipei 10480, Taiwan. Cheng Lie Navigation provides intra-Asia container shipping services. Cheng Lie Navigation is an indirect wholly-owned subsidiary of the Issuer. For the year ended December 31, 2015, no profit or loss arising out of ordinary activities was incurred by Cheng Lie Navigation. As of March 31, 2014, the reserves of Cheng Lie Navigation amounted to $95.0 million. As of March 31, 2015, the outstanding amount owed to Cheng Lie Navigation by the Issuer was $80.4 million.

USE OF PROCEEDS

The aggregate gross proceeds from the offering of the initial notes was $591.7 million and the aggregate gross proceeds from the offering of the additional notes was $188.3 million (using the Company's consolidated balance sheet exchange rate of $1.0759 = €1.00 as of March 31, 2015). The net proceeds from the offering of the initial notes was approximately $576.6 million, after deducting initial purchasers' discounts and the estimated offering expenses payable by us. The net proceeds from the offering of the additional notes was approximately $184.6 million, after deducting initial purchasers' discounts and commissions and the estimated offering expenses payable by us. We expect to use the net proceeds from the notes, and our available cash, to refinance the remainder of our 2017 Senior Notes and 2019 Senior Notes pursuant to the Tender Offer and Redemption.

On June 8, 2015, the Company completed an offering of €550,000,000 aggregate principal amount of initial notes. On the same day, using a portion the proceeds from the issuance of the initial notes, the Company purchased pursuant to the Tender Offer $111,338,000 in aggregate principal amount of 2017 Senior Notes and €76,658,000 in aggregate principal amount of 2019 Senior Notes. The Company has accepted all 2017 Senior Notes and 2019 Senior Notes validly tendered. The Company has delivered a notice of redemption to the holders of $320,872,000 aggregate principal amount of the 2017 Senior Notes and €209,450,000 aggregate principal amount of the 2019 Senior Notes remaining outstanding following completion of the Tender Offer. The net proceeds from the notes, and our available cash, will be used to fund the Redemption of any 2017 Senior Notes or 2019 Senior Notes not tendered pursuant to the Tender Offer.

The following table assumes that the balance of the net proceeds from the issuance of the initial notes, following completion of the Tender Offer and payment by the Company for tendered and accepted 2017 Senior Notes and 2019 Senior Notes, in an amount of $373.8 million, together with the net proceeds from the additional notes, and available cash in an amount of $15.5 million, will be used to fund the Redemption.

Sources of Funds		**Uses of Funds**	
Notes offered hereby[(1)]	187.3	Redemption of 2017 Senior Notes and 2019 Senior Notes[(2)]	184.6
		Estimated fees and expenses[(3)]	2.7
Total sources	**187.3**	**Total uses**	**187.3**

(1) U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of $1.0759 = €1 (the exchange rate as of March 31, 2015 used by the Company for its consolidated balance sheet as of such date).

(2) The Tender Offer represented a cash outflow of $202.8 million in respect of the principal amount of the 2017 Senior Notes and 2019 Senior Notes tendered, plus, in each case the tender premium and accrued and unpaid interest. A portion of the net proceeds from the initial notes was used to finance the Tender Offer. The balance of the net proceeds from the initial notes following completion of the Tender Offer and payment by the Company for 2017 Senior Notes and 2019 Senior Notes tendered and accepted was $373.8 million. The Company delivered a notice of redemption on June 8, 2015 to the holders of $320,872,000 in aggregate principal amount of 2017 Senior Notes and €209,450,000 in aggregate principal amount of 2019 Senior Notes remaining outstanding following completion of the Tender Offer. The estimated cost of the Redemption is $573.9 million. The balance of the net proceeds from the initial notes, together with the net proceeds from the additional notes, will be used to fund the Redemption for a total amount of $558.4 million. Considering that $39.0 million of the amounts due to be paid pursuant to the Redemption will be paid to our subsidiary CMA CGM UK, the amount of our cash available after the completion of the refinancing of the 2017 Senior Notes and 2019 Senior Notes, including pursuant to the Redemption on July 8, 2015, will be increased by $23.5 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 March 31, 2015, on an actual basis and as adjusted to give effect to the issuance of the notes and the use of the net proceeds therefrom, including the refinancing of the 2017 Senior Notes and 2019 Senior Notes pursuant to the Tender Offer and Redemption. You should read this table in conjunction with our audited consolidated financial statements 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 this Luxembourg listing particulars. U.S. dollar equivalents of euro-denominated amounts are calculated at an exchange rate of $1.0759 = €1 (the exchange rate as of March 31, 2015 used by the Company for its consolidated balance sheet as of such date).

You should read this table in conjunction with "*Use of Proceeds*," "*Selected Historical Financial Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the consolidated financial statements and accompanying notes appearing elsewhere in this Luxembourg listing particulars.

	As of March 31, 2015	
	Actual	**As Adjusted**
	($ millions)	
Cash, cash equivalents, securities and LTV deposits	2,373.4[(1)]	2,396.9[(1)(2)]
Debt		
2017 Senior Notes	391.1[(3)]	—
2019 Senior Notes	302.7[(4)]	—
Initial Notes	—	576.6[(5)]
Other existing notes	384.6	384.6
Notes offered hereby	—	184.6[(6)]
Bank debt	1,755.5	1,755.5
Obligations under finance leases	875.3	875.3
Bank overdrafts	314.3	314.3
Securitization program	835.2	835.2
Other financial debts	94.8	94.8
Bonds redeemable in shares	259.3	259.3
Total debt	**5,212.8**	**5,280.2**
Total equity	**5,305.4**	**5,261.5**[(7)]
Total capitalization	**10,518.2**	**10,541.7**

(1) Includes $2,218.7 million of cash and cash equivalents, $12.2 million of securities and $142.5 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) As adjusted for the net proceeds from the notes, less the proceeds being used to refinance 2017 Senior Notes and 2019 Senior Notes, either pursuant to the Tender Offer or Redemption.

(3) $432.2 million in aggregate principal amount of 2017 Senior Notes outstanding as of March 31, 2015, net of $37.5 million held by CMA CGM UK and net of $3.6 million of initial issuance costs.

(4) $307.8 million in aggregate principal amount of 2019 Senior Notes outstanding as of March 31, 2015 (U.S. dollar equivalents of €286.1 million euro-denominated amounts as translated at the exchange rate of $1.0759 = €1), net of $5.1 million of initial issuance costs.

(5) Reflects the net proceeds from the offering of the initial notes, including estimated fees and expenses of $8.5 million.

(6) Reflects the net proceeds of the notes, including estimated fees and expenses of $2.7 million.

(7) As adjusted for $22.5 million of tender premiums and redemption premiums on refinanced notes excluding those paid to CMA CGM UK, $12.6 million of accrued interests excluding those paid to CMA CGM UK and $8.8 million of initial issuance costs on refinanced notes.

Other than as described above there have been no material changes in our consolidated capitalization since March 31, 2015.

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, 2012, 2013 and 2014 is derived from our Audited Consolidated Financial Statements prepared under IFRS. The summary consolidated financial information as of or for the three months ended March 31, 2014 and 2015 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, 2013 and 2014, and our unaudited consolidated interim condensed financial statements as of and for the three months ended March 31, 2015, are included elsewhere in this Luxembourg 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 this Luxembourg listing particulars.

	For the year ended December 31,			For the three months ended March 31,	
	2012	**2013**	**2014**	**2014**	**2015**
			($ in millions)		
Consolidated Income Statement Data Revenue	**15,923.2**	**15,901.5**	**16,739.1**	**3,940.9**	**4,013.0**
Operating expenses	(14,617.7)	(14,877.9)	(15,449.3)	(3,673.8)	(3,523.1)
Operating profit before gains on disposal of property and equipment and subsidiaries, depreciation & amortization, etc	1,305.5	1,023.6	1,289.7	267.1	489.9
Gains/(losses) on disposal of property and equipment and subsidiaries	18.9	343.8	27.9	19.7	(0.9)
Depreciation and amortization of non-current assets	(405.6)	(423.4)	(401.1)	(98.5)	(98.0)
Other income and expenses	(45.4)	(123.0)	(83.5)	(5.9)	17.6
Net present value (NPV) benefits related to assets financed by tax lease	95.4	136.9	78.9	17.6	11.2
Share of profit/(loss) of associates and joint ventures	39.1	18.8	5.7	(0.4)	3.1
Operating profit after share of profit/(loss) of associates and joint ventures	**1,007.9**	**976.7**	**917.6**	**199.6**	**422.9**
Interest expense of borrowings net of interests income on cash and cash equivalent	(343.9)	(327.5)	(278.2)	(74.7)	(59.1)
Other net financial items[2]	(129.9)	(117.8)	56.3	(7.0)	71.8
Income taxes	(64.7)	(100.9)	(84.1)	(14.8)	(22.3)
Profit/(loss) from discontinued operations	**(108.8)**	**0.0**	**0.0**	**0.0**	**0.0**
Profit for the period	**360.6**	**430.5**	**611.6**	**103.1**	**413.3**

	As of December 31,			As of March 31,	
	2012	**2013**	**2014**	**2014**	**2015**
			($ in millions)		
Consolidated Balance Sheet Data					
Intangible assets	488.0	503.8	512.1	510.9	515.6
Vessels	6,041.3	6,120.5	5,974.4	6,048.3	6,015.3
Containers	738.4	605.1	544.9	566.9	532.9
Land and buildings	627.4	620.4	540.2	613.7	479.0
Other properties and equipments	123.5	119.4	110.8	120.6	107.4
Other non-current assets	1,468.1	1,659.2	1,380.6	1,572.3	1,356.2
Inventories	484.5	473.7	384.4	448.6	321.6
Trade and other receivables	2,230.5	2,288.8	2,382.7	2,388.5	2,259.4
Securities and other current financial assets	12.0	221.8	77.1	66.5	97.7
Cash and cash equivalents	601.3	1,410.4	2,186.5	1,494.9	2,218.7
Other current assets	215.7	205.8	268.9	208.1	313.1
Assets classified as held-for-sale	610.1	47.5	0.5	3.4	0.0
Total assets	**13,641.0**	**14,276.4**	**14,363.1**	**14,042.9**	**14,216.9**
Total equity	**4,039.4**	**4,541.1**	**4,995.3**	4,635.3	**5,305.4**
Non-current borrowings[1]	3,741.7	4,823.2	4,409.4	4,766.0	4,270.4
Other non-current liabilities	335.6	450.7	442.9	418.2	397.9

	As of December 31,			As of March 31,	
	2012	2013	2014	2014	2015
			($ in millions)		
Current borrowings[1]	1,821.5	932.3	1,070.7	713.9	942.4
Other current liabilities	3,488.2	3,499.6	3,444.8	3509.5	3,300.8
Liabilities associated with assets classified as held-for-sale	214.6	29.5	0.0	0.1	0.0
Total liabilities & equity	**13,641.0**	**14,276.4**	**14,363.1**	**14,042.9**	**14,216.9**

(1) The current and non-current borrowings have been determined as if past breaches of financial covenants had been cured as at December 31, 2012. See "*Consolidated balance sheet—Liabilities and equity*" of the audited consolidated financial statements as at and for the year ended December 31, 2013.

	For the year ended December 31,			For the three months ended March 31,	
	2012	2013	2014	2014	2015
			($ in millions)		
Consolidated Cash Flow Statement Data					
Cash inflow (outflow) from:					
Operating activities	984.5	984.0	1,100.6	167.7	477.7
Investing activities	(183.5)	344.4	155.6	259.2	(95.3)
Financing activities and effect of exchange rates	(928.9)	(581.3)	(844.0)	(293.2)	(219.7)
Net increase (decrease) in cash, cash equivalents and bank overdrafts	(127.8)	747.1	412.2	133.7	162.7
Cash, cash equivalents and bank overdrafts at the end of the period	582.4	1,329.5	1,741.7	1,463.3	1,904.4

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, 2014 (the "2014 Audited Consolidated Financial Statements"), and our audited consolidated financial statements as of and for the year ended December 31, 2013 (the "2013 Audited Consolidated Financial Statements" and together with the 2014 Audited Consolidated Financial Statements, the "Audited Consolidated Financial Statements"), and our unaudited consolidated financial statements as of and for the three months ended March 31, 2015 and 2014 (the "Unaudited Interim Condensed Consolidated Financial Statements"), and in each case the related notes thereto, included elsewhere in this Luxembourg listing particulars.

Certain information contained in the following discussion and analysis and elsewhere in this Luxembourg 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 this Luxembourg listing particulars.*

Overview

We are one of the leading and most profitable providers, based on Core EBIT, 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 141 main lines and 73 feeder lines, calling at approximately 386 ports in 133 countries as of March 31, 2015, with the support of 166 shipping agencies operating through more than 655 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 March 31, 2015, we operated a fleet of 465 container ships with a total capacity of 1.769 million TEU and a weighted average age, based on total TEU, of 7.7 years, of which we chartered 386 and owned 79. As of March 31, 2015, we maintained a 2.56 million TEU fleet of containers, of which we leased approximately 83% and owned the remainder. As of March 31, 2015, the book value of our owned containers was $532.9 million. The market value of our owned vessels is assessed every six months by calculating the average of three independent ship brokers' valuation, and was $3,806.2 million as of December 31, 2014.

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 transported over 12.5 million TEU in the twelve months ended March 31, 2015 on behalf of a globally diversified base of more than 100,000 customers, of which over 1,500 shipped more than 1,000 TEU in 2014. We generated revenues of $16.8 billion and a Core EBIT of $1,193.6 million for the twelve months ended March 31, 2015. Our EBITDA for the twelve months ended March 31, 2015 is $1,519.8 million. Our available cash position as of March 31, 2015 was $1,904.4 million (net of overdrafts).

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 2014 Audited Consolidated Financial Statements, the notes to the 2013 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. 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 this Luxembourg listing particulars, we present certain consolidated balance sheet data as of December 31, 2012 on a restated basis to reflect such re-classification.

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.

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. Changes affecting regional trades may also be unpredictable and may not correlate with the overall economic situation. 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.

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.

Freight rates may also be impacted by the evolution in fuel oil prices through the mechanism of a Bunker Adjustment Factor ("BAF") included in certain contracts and because freight rate negotiations, even when they do not include any BAF mechanism, will not be immune to the impact of a strong reduction in fuel oil prices. See "—*Fluctuation in Bunker Fuel Rates and Efficiency in Bunker Fuel Consumption*." The average price of fuel oil consumed by the Company for the three months ended March 31, 2015 stood at $391 per ton compared to $597 per ton for the three months ended March 31, 2014, a reduction of $206 per ton or 34.5%. On a per TEU basis cost decreased by $110 per full TEU laden from $302 for the three months ended March 31, 2014 to $192 for the three months ended March 31, 2015. In comparison average revenue per TEU decreased from $1,406.7 for the three months ended March 31, 2014 to $1,296.8 for the three months ended March 31, 2015, a 7.8% reduction.

Since the beginning of 2015, freight rates have remained volatile. For the three months ended March 31, 2015, our average revenue per TEU transported was $1,296.8, while our volumes increased by 10.5%. 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.

During the period 2008 to 2011, 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. More recently carriers have sought to order larger more efficient vessels in order to reduce unit costs, hence maintaining their profitability even under low freight rates. 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.

Whereas volume growth rates had reached double digits in the years 2000 until 2009, when global container shipping transport volumes decreased by approximately 9%, volumes have grown between 3.6 % and 5.7% over the period 2010 to 2014.

In 2013, our volumes transported increased by approximately 6.6% as compared to 2012, while the industry grew by approximately 3.6%. At the same time, pressure remained on freight rates. Our average revenue per TEU transported in 2013 decreased by 6.3% to $1,406.6 as compared to average revenue per TEU of $1,501.8 in 2012.

In 2014, our volumes transported increased by 8.1% as compared to 2013, above the industry average of approximately 5.3%, while the decline in freight rates began to stabilize. Our average revenue per TEU transported in 2014 decreased by 2.6% to $ 1,369.4 as compared to average revenue per TEU of $ 1.406.6 in 2013.

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. For example, average revenue per TEU will be impacted by currency fluctuation (*see also* "*—Currency Fluctuations*") as not all of our ocean revenue is priced in U.S. dollars. We estimate that 14% of our revenue for the three months ended March 31, 2015 is priced in euros. As the average exchange rate from euros to U.S. dollars declined from $1.3701 in the three months ended March 31, 2014 to $1.1273 during the three months ended March 31, 2015, a 17.7% reduction, we can estimate that 2.5% of the reduction in average revenue, about $35 per TEU, is related to the weakening of the euro. In line with 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*."

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 20.9% and 15.2% of our revenue in the year ended December 31, 2014 and the three months ended March 31, 2015, 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 strong increase in shale oil production in recent years, along with the slow-down of the Chinese economy and on-going negotiations between various countries and Iran, as well as the desire of certain oil exporting countries not to lose market share have recently led to a strong reduction in oil prices. A low point was reached in the beginning of January 2015 when the price of Brent North Sea crude oil fell to as low as $46.6 per barrel. As of May 11, 2015 the price had risen to $65.4 per barrel, still far from the peak of $115.1 it had reached in May 2014. The bunker fuel price is strongly correlated to the barrel price. In the Antwerp, Rotterdam and Amsterdam barge market, the value of $65.4 per barrel translates into a value of $338.3 per Fuel Oil Ton (IFO 380 CST). It is generally considered by the industry that this recent reduction in fuel oil prices reflects the volatility of this commodity and its sensitivity to geopolitical risks, rather than a clear and stable situation featuring increased supply and weak demand.

In order to mitigate the risk of fluctuation in 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 13% of our anticipated bunker fuel consumption for 2014 and 29.2% of our anticipated bunker fuel consumption in the three months ended March 31, 2015.

We estimate that in 2014, a $50 per ton increase in the spot purchase price of bunker fuel would have negatively impacted our operating profit by approximately $300 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 0.54 per transported TEU in 2012 to 0.51 in 2013, to 0.49 in 2014 and to 0.49 in the three months ended March 31,

2015. 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 set up a single ship operating center staffed by a team of experienced officers that oversees our entire fleet of 465 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 March 31, 2015, we operated a fleet of 465 ships, with capacity ranging from 120 TEU to 17,554 TEU, of which we owned 79, chartered 41 with a remaining lease term ranging between one and five years, chartered 51 with a remaining lease term of more than five years and chartered 294 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 March 31, 2015, we operated an inventory of 1.64 million individual containers, equivalent to a total of 2.56 million TEU. We own 17% 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 in recent years 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 CSG, Maersk, UASC, MSC, Hapag-Lloyd and Hamburg Süd, 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. It is customary, however, 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 the Ocean 3 alliance comprising us, CSG and UASC covering the Asia USA West Coast and East Coast, Asia North Europe and Asia Mediterranean routes.

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.

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 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. Container shipping revenue constitutes the largest proportion of our revenue and represented 92.6%, 95.3%, 95.5% and 95.4% of total revenue excluding intragroup eliminations in 2012, 2013, 2014 and three months ended March 31, 2015, respectively (based on the methodology then prevailing). See "*—Year ended December 31, 2014 compared with the year ended December 31, 2013*."

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. 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 also 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 2014, our average freight rate on our Asia-Europe eastbound voyages was $424 per TEU, while our average freight rate on our Asia-Europe westbound voyages was $996 per TEU. The level of base freight rates for a particular line, however, 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 consists of revenue from 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.

Revenue from other activities represented 7.4%, 4.7%, 4.5% and 4.6% of total revenue excluding intragroup eliminations in 2012, 2013, 2014 and the three months ended March 31, 2015, respectively (based on the methodology then prevailing). See "*—Year ended December 31, 2014 compared with year ended December 31, 2013*."

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 24.1%, 22.2%, 20.9% and 15.2% of our revenue in 2012, 2013, 2014 and the three months ended March 31, of 2015, respectively. The primary component of bunkers and consumables during the period under review was the purchase of bunker fuel, which amounted to $3,424.2 million, or 98.0% of our bunkers and consumables expenses, in 2014. 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 2014, we purchased 6.1 million tons of bunker fuel at an average price of $550.0 per ton. The price we pay for bunker fuel has historically been volatile.

Chartering and slot purchases. Chartering and slot purchases expenses represented 11.0%, 11.2%, 10.8% and 11.3% of our revenue in 2012, 2013, 2014 and the three months ended March 31, 2015, 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. 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 March 31, 2015, we chartered 386 vessels, or 69.3% of our capacity, of which we chartered 51 vessels with a remaining charter duration of more than five years, or 17.9% of our capacity, 41 vessels with charter duration of less than five years and more than one year, or 5.3% of our capacity, and 294 vessels on a short-term basis, or 46.1% of our capacity, and owned 79 vessels, or 30.7% 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. 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 March 31, 2015, we operated 17 of our 141 main lines through the purchase of slots on the vessels of third-party carriers. 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 21.4%, 22.6%, 23.2% and 24.0% of our revenue in 2012, 2013, 2014 and the first three months of 2015, 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 9.6%, 10.6%, 10.8% and 11.0% of our revenue in 2012, 2013, 2014 and the three months ended March 31, 2015, 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 6.5%, 6.9%, 7.1% and 7.0% of our revenue in 2012, 2013, 2014 and the three months ended March 31, 2015, 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 7.2%, 7.7%, 7.7% and 7.9% of our revenue in 2012, 2013, 2014 and the three months ended March 31, 2015, 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 6.8%, 7.2% and 7.2% and 7.2% of our revenue in 2012, 2013, 2014 and the three months ended March 31, 2015, 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 3.9%, 3.8%, 3.6% and 3.5% of our revenue in 2012, 2013, 2014 and the three months ended March 31, 2015, 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. Under these leveraged tax leases, a tax benefit is granted to the lessor, but also passed on in part by the lessor to our subsidiaries that are parties to the lease agreements, either over the lease term through lower lease payments or, at the end of the lease term, through the recovery of a cash amount (or a more favorable final purchase price). In such cases, the Company recognizes the tax benefits as follows:

- 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" as it is considered that this benefit is in effect a reduction of the operational running cost of the vessel; and

- 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".

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 "Interest expense on borrowings."

Cost of borrowings net of interests income on cash and cash equivalent. Cost of borrowings net of interests income on cash and cash equivalent includes interest expense on borrowings and interest income on cash and cash equivalent.

Other net 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 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 net tonnage of our operated 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 strategically and commercially managed in France. In addition, these vessels must be (i) owned, jointly owned or leased by the company (to the exception of the vessels that the company bareboat chartered to non-related companies or to related companies that have not elected to the tonnage tax regime) or (ii) bareboat or time chartered by the company. Moreover, 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.

In 2013, the European Commission opened an in-depth investigation to examine whether French rules giving favorable tax benefits to certain vessels sailing under non-EU flags would run against the objectives of EU maritime transport policy. The Commission closed this investigation on February 4, 2015 after the Second Amending Finance Law for 2014 introduced a threshold to ensure that French tonnage tax payers flag at least 25% of their tonnage in the EEA.

This new 25% threshold applies to companies who have elected to the Tonnage Tax Regime in respect of a financial year ending since November 27, 2014. The threshold is appraised at tax group level, if the companies have elected to such regime.

Since we reelected to participate in the tonnage tax regime in 2013, such threshold will not apply until the next reelection.

Three months ended March 31, 2015 compared with three months ended March 31, 2014

Revenue

Consolidated operating revenue increased by $72.1 million, or 1.8% from $3,940.9 million in the three months ended March 31, 2014 to $4,013.0 million in the three months ended March 31, 2015 primarily due to:

- volumes which increased 10.5% or 292.9 thousand TEU, from 2,801.6 thousand TEU in the first quarter of 2014 to 3,094.5 thousand TEU in the three months ended March 31, 2015; and
- Average revenue per TEU which decreased by 7.8% or $109.9 per TEU from $1,406.7 per TEU in the first quarter of 2014 to $1,296.8 per TEU in the three months ended March 31, 2015.

The 292.9 thousand TEU increase in volumes was mainly attributable to a 139 thousand TEU, or 8.9% increase in volumes carried on our main East West lines, to a 76 thousand TEU or 10.4% increase in volumes carried on our main North South lines, and to a 78 thousand TEU or 15.4% increase in volumes loaded on our subsidiaries, the main increase thereof being related to our subsidiaries specialized on intra-Asia ANL and CNC.

Operating Expenses

General

Consolidated operating expenses excluding depreciation decreased $150.5 million or 4.1% from $3,673.6 million (or 93.2% of operating revenue) in the three months ended March 31, 2014 to $3,523.1 million (or 87.8% of operating revenue) in the three months ended March 31, 2015, due to a 29.8% decrease in bunkers and consumables, a 5.9% increase in chartering expenses and slot purchases, a 8.1% increase in handling and stevedoring, a 5.9% increase in transportation, a 2.8% increase in port and canal expenses, a 0.8% increase in logistic expenses, a 2.1% decrease in employee benefits, a 10.6% decrease in general and administrative, a 3.7% decrease in other operating income and expenses.

Bunkers and consumables

Bunkers and consumables decreased by 29.8% or $259.1 million from $868.8 million (or 22.0% of operating revenue) in the three months ended March 31, 2014 to $609.7 million (or 15.2% of operating revenue) in the three months ended March 31, 2015.

This is mainly related to the decrease in our bunkering costs, from $853.5 million in the three months ended March 31, 2014 to $594.1 million in the three months ended March 31, 2015, a 30.4% or $259.4 million decrease. This is explained by:

- a 6.2% or 89 thousand tons increase in our consumption of bunker fuel from 1,432 thousand tons in the three months ended March 31, 2014 to 1,521 thousand tons in the three months ended March 31, 2015, while carried TEU volume increased by 10.5% in the meantime. As a consequence, consumption per carried TEU decreased by 3.9% from 511kg/TEU in the three months ended March 31, 2014 to 491kg/TEU in the three months ended March 31, 2014; and
- the decrease in average bunker rate from $596 per ton in the three months ended March 31, 2014 to $391 per ton in the three months ended March 31, 2015, a $205 per ton decrease (34.4% decrease).

Consumables (lubricating oil, spare parts) increased by $0.4 million or 2.6% from $15.2 million in the first quarter of 2014 to $15.6 million in the three months ended March 31, 2015.

Chartering and slot purchases

Chartering and slot purchases increased by $25.2 million or 5.9% from $427.0 million in the three months ended March 31, 2014 to $452.2 million in the three months ended March 31, 2015. Chartering and slot purchases account for 11.3% of operating revenue in the three months ended March 31, 2015 (as compared to 10.8% in the three months ended March 31, 2014).

Chartering increased by $11.9 million from $387.0 million in the three months ended March 31, 2014 to $398.9 million in the three months ended March 31, 2015 mainly as a consequence of low charter rates combined with an increase of the chartered fleet size from 1,033 thousand slots in March 2014 to 1,226 thousand slots in March 2015 (a 18.7% increase). The corresponding number of chartered vessels increased from 349 to 386, as the result of the delivery of eight long-term bareboat chartered ships with sizes ranging from 9,365 TEU to 10,622 TEU, which were deployed on our Black Sea South American trades, and the chartering in of 29 additional smaller vessels to cover new feedering lines, in particular in Africa. Chartering expenses include both a bareboat charter component and a running cost component (crews, maintenance, insurance). Running costs are estimated at $7,650/day per vessel on average for the chartered fleet. Running costs accounted for approximately 64% of chartering expenses in the three months ended March 31, 2015.

Slot purchases decreased by $1.1 million or 1.9% from $56.6 million in the three months ended March 31, 2014 to $55.5 million in the three months ended March 31, 2015 as the result of decrease in cost related to bunker fuel, and other fixed expenses decreased by $14.4 million or 86.7% from a positive $16.6 million in the three months ended March 31, 2014 to a positive of $2.2 million in the three months ended March 31, 2015 due to a change in some of our vessel sharing agreements.

Handling and stevedoring

Handling and stevedoring increased by $72.3 million or 8.1% from $890.3 million in the three months ended March 31, 2014 to $962.6 million in the three months ended March 31, 2015, mainly related to the 10.5% increase in carried volumes over the period and positively impacted by the depreciation of the Euro, thus reducing the value of the portion of our handling costs incurred in euros compared to the three months ended March 31, 2014. Handling and stevedoring expenses account for 24.0% of the operating revenue in the three months ended March 31, 2015. Stevedoring of full containers increased by 9.9% or $72.9 million from $739.5 million in the three months ended March 31, 2014 to $812.4 million in the three months ended March 31, 2015, related to the 10.5% increase in volume over the period, while stevedoring of empty containers decreased by 0.4% or $0.7 million from $150.9 million in the three months ended March 31, 2014 to $150.2 million in the three months ended March 31, 2015.

Inland and feeder transportation

Transportation increased by $24.6 million or 5.9% from $415.5 million in the three months ended March 31, 2014 to $440.1 million in the three months ended March 31, 2015. Transportation expenses accounted for 11.0% of the operating revenue in the three months ended March 31, 2015. This increase mainly relates to a $4.6 million or 6.2% increase in third party feeders from $74.5 million in the three months ended March 31, 2014 to $79.1 million in the three months ended March 31, 2015 and a 5.8% or $19.9 million increase in land transportation costs from $341.0 million in the three months ended March 31, 2014 to $360.9 million in the three months ended March 31, 2015. The increase is mainly driven by the 10.5% increase in carried volumes over the period and the positive impact of the depreciation of the

euro, thus reducing the value of the portion of our transportation costs incurred in euros compared to the three months ended March 31, 2014.

Port and canal

Ports and canal expenses increased by 2.8% or $7.8 million from $274.8 million in the three months ended March 31, 2014 to $282.6 million in the three months ended March 31, 2015. Port and canal expenses accounted for 7.0% of operating revenue in the first quarter of 2015. The increase is mainly due to a 0.8% or $0.9 million increase in canal costs from $106.9 million in the three months ended March 31, 2014 to $107.8 million in the three months ended March 31, 2015 while port expenses increased by 4.0% or $6.8 million from $168.0 million in the three months ended March 31, 2014 to $174.8 million in the three months ended March 31, 2015. The increase in port costs results from the 10.6% increase in the number of chartered vessels over the period and the positive impact of the depreciation of the euro, thus reducing the value of the portion of our transportation costs incurred in euros compared to the three months ended March 31, 2014.

Container rentals and other logistic expenses

Logistic expenses increased by $2.6 million or 0.8% from $313.6 million in the three months ended March 31, 2014 to $316.2 million in the three months ended March 31, 2015. Logistic expenses accounted for 7.9% of operating revenue in the three months ended March 31, 2015. This increase is related to:

- a 3.2% or $5.2 million increase in rental of containers and chassis, from $160.3 million in the three months ended March 31, 2014 to $165.5 million in the three months ended March 31, 2015, the fleet of rented containers having increased from 1,885 thousand TEU at the end of March 2014 to 2,129 thousand TEU in March 2015, a 12.9% or 244 thousand TEU increase, partly compensated by a decrease of rental prices by 6.8%;

- a 7.1% or $2.0 million increase in containers maintenance and repairs from $28.3 million in the three months ended March 31, 2014 to $30.3 million in the three months ended March 31, 2015; and

- a 3.8% or $4.7 million decrease in handling in depots, empty container transportation and storage, from $125.1 million in the three months ended March 31, 2014 to $120.4 million in the three months ended March 31, 2015.

Employee benefits

Employee benefits decreased by $6.1 million or 2.1% from $293.5 million in the three months ended March 31, 2014 to $287.4 million in the three months ended March 31, 2015. Employee benefits accounted for 7.2% of operating revenue in the three months ended March 31, 2015.

The decrease is mainly explained by the depreciation of the Euro, thus reducing the value of the portion of our employee benefits costs incurred in euros compared to the three months ended March 31, 2014 by approximately $33.8 million.

General and administrative expenses

General and administrative decreased by $16.8 million or 10.6% from $158.0 million in the three months ended March 31, 2014 to $141.2 million in the three months ended March 31, 2015. General and administrative expenses accounted for 3.5% of operating revenue in the three months ended March 31, 2015. General and administrative expenses consist of:

- commissions which decreased by $12.3 million from $53.6 million in the three months ended March 31, 2014 to $41.3 million in the three months ended March 31, 2015;

- fees which decreased by $3.0 million from $51.9 million in the three months ended March 31, 2014 to $48.9 million in the three months ended March 31, 2015;

- insurances which increased by $7.1 million from $9.3 million in the three months ended March 31, 2014 to $16.4 million in the three months ended March 31, 2015; and

- other expenses decreased by $8.5 million from $43.0 million in the three months ended March 31, 2014 to $34.5 million in the three months ended March 31, 2015. Other expenses mainly consist of communication expenses, real estate rentals, bank expenses, taxes not related to income and fines and penalties.

Additions to provisions, net of reversals and impairment of inventories and trade receivables

Addition to provisions and allowance, net of reversals increased from $2.4 million in the three months ended March 31, 2014 to $10.6 million in the three months ended March 31, 2015.

Operating exchange gains/losses, net

Operating exchange gains/losses changed from a gain of $21.4 million in the three months ended March 31, 2014 to a gain of $29.9 million in the three months ended March 31, 2015.

Other operating expenses

Other operating expenses decreased by $0.9 million from $51.3 million in the three months ended March 31, 2014 to $50.4 million in the three months ended March 31, 2015.

Operating profit before gains on disposal of property and equipment and subsidiaries, depreciation and amortization, etc.

As a consequence of all preceding items, this line item increased by $222.8 million or 83.4% from $267.1 million in the three months ended March 31, 2014 to $489.9 million in the three months ended March 31, 2015.

Gains on disposal of property and equipment and subsidiaries

Gains on property and equipment decreased by $20.6 million from a gain of $19.7 million in the three months ended March 31, 2014 to a loss of $0.9 million in the three months ended March 31, 2015 as the company sold some containers resulting from sale and lease back transactions together with the disposal of a 8,100 TEU vessel in the three months ended March 31, 2014.

Depreciation and amortization of non-current assets

Depreciation decreased by $0.5 million from $98.5 million in the three months ended March 31, 2014 to $98.0 million in the three months ended March 31, 2015. Depreciation covers:

- depreciation of vessels, which increased by $0.1 million from $66.3 million in the three months ended March 31, 2014 to $66.4 million in the three months ended March 31, 2015 in the absence of significant change in the owned fleet;
- depreciation of containers, which increased by $0.1 million or 0.9% from $11.0 million in the three months ended March 31, 2014 to $11.1 million in the three months ended March 31, 2015; and
- depreciation of software, handling equipment and real estate which decreased by $0.7 million from $21.2 million in the three months ended March 31, 2014 to $20.5 million in the three months ended March 31, 2015.

Other income and expense

Other income and expenses decreased by $23.5 million from a cost of $5.9 million in the three months ended March 31, 2014 to a gain of $17.6 million in the three months ended March 31, 2015.

Net Present Value (NPV) benefit related to assets financed by tax lease

NPV benefits decreased by $6.4 million from $17.6 million in the three months ended March 31, 2014 to $11.2 million in the three months ended March 31, 2015. The decrease mainly results from the depreciation of the euro as most of our NPV benefits are held in euros.

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

Share of profit (or loss) of the associates and joint ventures increased by $3.5 million from a loss of $0.4 million in the three months ended March 31, 2014 to a gain of $3.1 million in the three months ended March 31, 2015. This relates mainly to the increase of the results of our terminals.

Operating profit after share of profit of associate and joint ventures

As a consequence of all preceding items, operating profit after share of profit of associate and joint ventures increased by $223.3 million from a gain of $199.6 million in the three months ended March 31, 2014 to a gain of $422.9 million in the three months ended March 31, 2015. With respect to our container shipping operating segment, revenue decreased by $77.1 million to $3,920.8 million and EBIT increased by $233.3 million to $415.9 million in the three months ended March 31, 2015, due mainly to a 10.5% increase in transported volume, a 7.8% decrease in average freight

rate and a 13.2% decrease in unit cost per TEU. With respect to other activities, revenue increased by $4.6 million and EBIT decreased by $12.8 million, mainly due to certain operating exchange losses in our holding subsidiaries.

Financial Result

Cost of borrowings net of interest income on cash and cash equivalent: Cost of borrowings net of interest income decreased by 20.9% or $15.6 million from $74.7 million in the three months ended March 31, 2014 to $59.1 million in the three months ended March 31, 2015 as a result of:

- a 22.1% or $18.50 million decrease in interest expenses on borrowings from $83.7 million in the three months ended March 31, 2014 to $65.2 million in the three months ended March 31, 2015 reflecting the early redemption of expensive financings and the depreciation of euro which positively impacted our euro denominated interest expenses; and

- a $2.9 million decrease in interest income on cash and cash equivalents from $9.0 million in the three months ended March 31, 2014 to $6.1 million in the three months ended March 31, 2015.

Other net financial items: Other net financial items decreased by $78.8 million from a loss of $7.0 million in the three months ended March 31, 2014 to a gain of $71.8 million in the three months ended March 31, 2015 as a result of:

- a $0.3 million decrease in financial costs related debt restructuring from $0.3 million in the three months ended March 31, 2014 to nil in the three months ended March 31, 2015;

- an $0.9 million increase in the settlement and change in fair value of derivative instruments that do not qualify to hedge accounting from a loss of $6.9 million to a loss of $7.8 million in the three months ended March 31, 2015;

- a $65.0 million change in foreign currency income and expense, net, from a gain of $0.1 million in the three months ended March 31, 2014 to a gain of $65.1 million in the three months ended March 31, 2015 resulting from the translation of our foreign currencies denominated debt, and more specifically from the euro denominated portion of our debts; and

- a $14.4 million increase in other financial income and expenses, net from a gain of $0.1 million in the three months ended March 31, 2014 to a gain of $14.5 million in the three months ended March 31, 2015.

As a consequence of all preceding items, financial result increased by $94.4 million from a loss of $81.7 million in the three months ended March 31, 2014 to a gain of $12.7 million in the three months ended March 31, 2015.

Income tax

Income tax increased by $7.5 million from $14.8 million in the three months ended March 31, 2014 to $22.3 million in the three months ended March 31, 2015.

Profit for the year

As a consequence of all preceding items profit for the period increased by $310.2 million from a profit of $103.1 million in the three months ended March 31, 2014 to a profit of $413.3 million in the three months ended March 31, 2015.

Non-controlling interests

Non-controlling interests increased by $0.9 million from $6.0 million in the three months ended March 31, 2014 to $6.9 million in the three months ended March 31, 2015.

Profit for the year attributable to the owners of the parent

Profit for the period attributable to the owners of the parent increased by $309.3 million from a profit of $97.1 million in the three months ended March 31, 2014 to a profit of $406.4 million in the three months ended March 31, 2015.

Year ended December 31, 2014 compared with year ended December 31, 2013

The 2013 figures have been restated in this section compared to the section below comparing the year ended December 31, 2013 with the year ended December 31, 2012, to reflect the changes implemented by the Company in the presentation of its segment information. The changes result in isolating the intersegment transactions within the line item "reconciling items and elimination", and reclassifying the contribution of our agencies network from the segment "other activities" to the segment "container shipping".

Revenue

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

	Period ended December 31,			
	2013		2014	
	($ millions)	Percentage	($ millions)	Percentage
Container shipping	15,564.9	95.3%	16,370.0	95.5%
Other activities	761.1	4.7%	778.4	4.5%
Reconciling items & Eliminations	(424.5)	n/a	(409.3)	n/a
Total revenue	**15,901.5**	**100.0%**	**16,739.1**	**100.0%**

Consolidated operating revenue increased by $837.6 million, or 5.3% from $15,901.5 million in 2013 to $16,739.1 million in 2014 primarily due to a 5.2% increase in container shipping revenues reflecting the growth in transported volumes combined with a 2.3% increase in other activities revenue.

Other activities revenue increased by 2.3% or $17.3 million, from $761.1 million in 2013 to $778.4 million in 2014.

The container shipping operating revenue increased by $805.1 million, or 5.2% from $15,564.9 million in 2013 to $16,370.0 million in 2014. Volumes increased by 8.1% or 918,900 TEU, from 11,304,800 TEU in 2013 to 12,223,700 TEU in 2014. Average shipping revenue per TEU (calculated as shipping revenue divided by total carried TEU volumes) decreased 2.8% or $38.0 per TEU from $1,377.0 per TEU in 2013 to $1,339.0 per TEU in 2014. In 2014, we experienced continued volatility in freight rates, which resulted on average in lower freight rates during that period compared to 2013.

The 918,900 TEU increase in volumes was mainly attributable to (i) a 383,300 TEU or 6.1% increase in volumes loaded on our main East West lines (of which 257,100 TEU relate to volume increases on our Asia / Europe (North Europe and Med) lines and 90,600 TEU to volume increases on our lines calling the United States), (ii) a 205,400 or 6.8% increase in volumes loaded on our main North South lines (including Delmas lines) (of which 107,100 TEU relate to our lines calling the French Overseas territories), and (iii) a 330,300 TEU increase in volumes loaded on our subsidiaries, most of which increase is attributable to our Australian subsidiary Australian National Line.

Operating Expenses

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

	Period ended December 31,			
	2013		2014	
	($ millions)	Percentage of revenue	($ millions)	Percentage of revenue
Bunkers and consumables	3,537.8	22.2%	3,493.9	20.9%
Chartering and slot purchases	1,781.1	11.2%	1,805.0	10.8%
Handling and stevedoring	3,588.2	22.6%	3,879.4	23.2%
Inland and feeder transportation	1,681.7	10.6%	1,802.7	10.8%
Port and Canal	1,102.0	6.9%	1,183.5	7.1%
Container rentals and other logistic expenses	1,229.2	7.7%	1,296.4	7.7%
Employee benefits	1,143.8	7.2%	1,201.9	7.2%
General and administrative other than employee benefits	604.4	3.8%	602.0	3.6%
Additions to provisions, net of reversals and impairment of inventories and trade receivables	27.8	0.2%	11.1	0.1%
Other exchange losses/(gains), net	(17.4)	(0.1)%	(53.4)	(0.3)%
Other operating expenses/(income), net	199.3	1.3%	226.8	1.4%
Operating expenses	**14,877.9**	**93.6%**	**15,449.3**	**92.3%**

General

Consolidated operating expenses excluding depreciation increased by $571.4 million or 3.8% from $14,877.9 million (or 93.6% of operating revenue) in 2013 to $15,449.3 million (or 92.3% of operating revenue) in 2014, primarily due to a 1.2% decrease in bunkers and consumables, a 1.3% increase in chartering expenses and slot purchases, a 8.1% increase in handling and stevedoring, a 7.2% increase in transportation, a 7.4% increase in port and canal expenses, a 5.5% increase in logistic expenses, a 5.1% increase in employee benefits, a 0.4% decrease in general and administrative, a 12.0% decrease in addition to provision and allowances, exchange rate impact and other operating expenses.

Bunkers and consumables

Bunkers and consumables decreased by 1.2% or $43.9 million from $3,537.8 million (or 22.2% of operating revenue) in 2013 to $3,493.9 million (or 20.9% of operating revenue) in 2014.

This is mainly related to the decrease in our bunkering costs, including bunker swaps and settlement from $3,465.2 million in 2013 to $3,424.2 million in 2014, a 1.2% or $41 million decrease. This is explained by:

- a 4.7% or 269,700 ton increase in our consumption of bunker fuel from 5,736,600 tons in 2013 to 6,006,300 tons in 2014, while carried TEU volume increased by 8.1% in the meantime; and
- the decrease in average bunker rate from $604.1 per ton in 2013 to $570.1 per ton in 2014, a $34.0 per ton decrease (5.6% decrease). Stores and lubricating oil decreased $2.9 million or 4.2% from $72.6 million in 2013 to $69.7 million in 2014.

Chartering and slot purchases

Chartering and slot purchases increased by $23.9 million or 1.3% from $1,781.1 million in 2013 to $1,805.0 million in 2014. Chartering and slot purchases account for 10.8% of operating revenue in 2014 (as compared to 11.2% in 2013). Chartering increased by $55.7 million from $1,513.2 million in 2013 to $1,568.9 million in 2014 mainly as a consequence of low charter rates despite a significant increase of the chartered fleet size which increased from 1,019,100 slots in December 2013 to 1,123,000 slots in December 2014 (a 10.2% increase). Chartering expenses include both a bareboat charter component and a running cost component, which includes crews, maintenance such as lubricating oil and spare parts and insurance. Running costs account for about 54% of chartering expenses in 2014 and are estimated at $6,400 per day per vessel on average for the chartered fleet (a ratio that had remained stable for the last three years). Slot purchases and other fixed expenses decreased by $31.9 million or a 11.9% decrease from $268.0 million in 2013 to $236.1 million in 2014.

Handling and stevedoring

Handling and stevedoring increased by $291.2 million or 8.1% from $3,588.2 million in 2013 to $3,879.4 million in 2014, in line with the increase in carried volume, which also equaled 8.1% over the same period. Handling and stevedoring expenses accounted for 23.2% of the operating revenue in 2014. Stevedoring of full containers increased by 8.4% or $249.9 million from $2,983.2 million in 2013 to $3,233.1 million in 2014 while stevedoring of empty containers increased by 6.8% or $41.3 million from $605.0 million in 2013 to $646.3 million in 2014.

Inland and feeder transportation

Inland and feeder transportation increased by $121.0 million or 7.2% from $1,681.7 million in 2013 to $1,802.7 million in 2014. Inland and feeder transportation expenses accounted for 10.8% of the operating revenue in 2014 (as compared to 10.6% in 2013). This increase results from a 4.3% or $60.1 million increase in land transportation costs from $1,408.1 million in 2013 to $1,468.2 million in 2014, consistent with a 5.4% increase in volumes transported inland and to a $60.8 million or 22.2% increase in third party feeders from $273.7 million in 2013 to $334.5 million in 2014.

Port and canal

A 7.4% or $81.5 million increase in port and canal expenses from $1,102.0 million in 2013 to $1,183.5 million in 2014. Port and canal expenses accounted for 7.1% of operating revenue in 2014 (as compared to 6.9% in 2013). The increase is due to a 5.0% or $34.4 million increase in port expenses from $694.8 million in 2013 to $729.2 million in 2014 while canal costs increased by 11.6% or $47.1 million from $407.2 million in 2013 to $454.3 million in 2014 due to the cumulated effect of increased number of passages and higher prices.

Container rentals and other logistic expenses

Container rentals and other logistic expenses increased by $67.2 million or 5.5% from $1,229.2 million in 2013 to $1,296.4 million in 2014. Container rentals and other logistic expenses accounted for 7.7% of operating revenue in 2014. This increase is related to:

- a 6.2% or $37.6 million increase in rental of containers and chassis, from $607.1 million in 2013 to $644.7 million in 2014, the fleet of rented containers having increased from 1,757,900 TEU in December 2013 to 2,057,000 TEU in December 2014, a 17.0% or 299,100 TEU increase;
- a 2.5% or $3.1 million increase in containers maintenance and repairs from $124.2 million in 2013 to $127.3 million in 2014; and

- a 5.3% or $26.4 million increase in handling in depots, empty container transportation and storage, from $498.0 million in 2013 to $524.4 million in 2014 mainly as a consequence of increase in loaded volumes.

Employee benefits

Employee benefits increased by $58.1 million or 5.1% from $1,143.8 million in 2013 to $1,201.9 million in 2014. Employee benefits accounted for 7.2% of operating revenue in 2014 (as compared to 7.2% in 2013). The number of employees increased by 7.1% or around 1,200 individuals reflecting the increase of Asia-Oceania based staff as we developed our shared service centers and, to a lesser extent, the increase of staff dedicated to the currently developed IT projects.

General and administrative expenses

General and administrative expenses decreased by $2.4 million or 0.4% from $604.4 million in 2013 to $602.0 million in 2014. General and administrative expenses accounted for 3.6% of operating revenue in 2014. General and administrative expenses consist of:

- Commissions, which increased by $2.7 million from $187.5 million in 2013 to $190.2 million in 2014;
- Fees, which decreased by $16.6 million from $210.1 million in 2013 to $193.5 million in 2014;
- Insurance, which increased by $1.9 million from $63.2 million in 2013 to $65.1 million in 2014; and
- Other expenses, which increased by $9.6 million from $143.6 million in 2013 to $153.2 million in 2014. Other expenses mainly consist of communication expenses, real estate rentals, bank expenses, taxes not related to income and fines and penalties.

Additions to provisions, net of reversals and impairment of inventories and trade receivables

Additions to provisions, net of reversals and impairment of inventories and trade receivables decreased by $16.7 million from $27.8 million in 2013 to $11.1 million in 2014, mainly due to lower provisions in 2014 compared to 2013 to cover certain receivables whose payment was deemed doubtful in 2013 during a review of receivables at Delmas.

Operating exchange gains/losses, net

Operating exchange gains/losses increased from a gain of $17.4 million in 2013 to a gain of $53.4 million in 2014 as a result of the improved exchange rate of the U.S. dollar against the euro positively impacting our working capital positions.

Other operating expenses

Other operating expenses increased by $27.5 million or 13.8% from $199.3 million in 2013 to $226.8 million in 2014, principally reflecting the write-off in 2013 of an account payable following renegotiation with one of our suppliers and the increase of vessels maintenance costs.

Operating profit before gains on disposal of property and equipment and subsidiaries, depreciation and amortization, etc.

As a consequence of all of the preceding items, this line item increased by $266.1 million or 26.0% from $1,023.6 million in 2013 to $1,289.7 million in 2014.

Gains on disposal of property and equipment and subsidiaries

Gains and losses on property and equipment and subsidiaries decreased by $315.9 million from $343.8 million in 2013 to $27.9 million in 2014, mainly as a consequence of the disposal of 49% of Terminal Link to CMHI resulting in an accounting gain of $301.1 million in 2013 as well as the disposal of containers in 2013 and 2014 resulting in a $35.7 and $26.0 million gain respectively.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets decreased by $22.3 million from $423.4 million in 2013 to $401.1 million in 2014. This covers:

- Depreciation of vessels, which increased by 0.4% or $1.0 million from $267.5 million in 2013 to $268.5 million in 2014, mainly as a consequence of the absence of significant change in our fleet of owned vessels;

- Depreciation of containers, which decreased by 16.9% or $9.2 million from $54.4 million in 2013 to $45.2 million in 2014 due to the decrease in the proportion of our container fleet that we own; and
- Depreciation of other assets including intangibles, handling equipment and real estate, which decreased by 13.9% or $14.1 million from $101.5 million in 2013 to $87.4 million in 2014, mainly as a result of some non-recurring depreciation of the current Enterprise Resource Planning ("ERP") software in 2013, the useful life of which was reassessed as a consequence of the strategic partnership with SAP aiming at developing a new information system.

Other income and expense

Other operating income or expenses decreased by $39.5 million from $123.0 million in 2013 to $83.5 million in 2014. In 2014, this item includes $35.1 million of impairment of individual specific intangible and tangible assets as well as $42.1 million increase in the estimated present value of the dividend guarantee payable to CMHI. In 2013, this item included a $59.1 million impairment on terminals still controlled by the Company as part of the reorganization of our terminal operations and last a $30.6 million adjustment of the provision related to the guarantee granted to CMHI upon the disposal of 49% of Terminal Link due to the circumstantial limitations to pay dividends in certain terminals and the delay in the ramp-up of others.

Net Present Value (NPV) benefit related to assets financed by tax lease

NPV benefit related to assets decreased by $58.0 million from $136.9 million in 2013 to $78.9 million in 2014. The decrease in the NPV benefit between the two periods is linked to the increased number of vessels financed under this arrangement and the anticipated exercise of certain purchase options, which occurred in 2013.

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

Share of profit of the associates and joint ventures decreased by $13.1 million from $18.8 million in 2013 to $5.7 million in 2014. Our share of profit/(loss) of associates and joint ventures mainly to shares we hold in terminals (Terminal Link, CMA Terminals), GSL and a few agencies. The decrease mainly results from the lower performance by GSL in 2014 as compared to 2013.

Operating profit after share of profit of associate and joint ventures

As a result of the factors described above, including the one-off disposal of 49% of Terminal Link in 2013, the operating profit after share of profit of associate and joint ventures decreased by $59.1 million or 6.1% from 976.7 million in 2013 to $917.6 million in 2014. With respect to our container shipping operating segment, revenue increased by $805.1 million to $16,370.0 million and EBIT increased by $247.4 million to $955.5 million in 2014, due mainly to a 8.1% increase in transported volume, a 2.6% decrease in average freight rate and a 4.0% decrease in unit cost per TEU. With respect to other activities, revenue increased by $17.3 million and EBIT decreased by $29.7 million, mainly due to the lower performance in 2014 as compared to 2013 of both GSL and our terminal investments.

Financial Result

Cost of borrowings net of interest income on cash and cash equivalent: Cost of borrowings net of interest income decreased by 15.1% or $49.3 million from $327.5 million in 2013 to $278.2 million in 2014 as a result of:

- a 10.2% or $35.1 million decrease in interest expenses on borrowings from $345.3 million in 2013 to $310.2 million in 2014 as a result of the decrease of our financial debt over 2014 including the early redemption of vendor loans and the renegotiation of expensive borrowings; and
- a 79.8% or $14.2 million increase in interest income on cash and cash equivalents from $17.8 million in 2013 to $32.0 million in 2014, due to our higher cash positions throughout the entire year in 2014.

Other net financial items increased by $174.1 million from a loss of $117.8 million in 2013 to a gain of $56.3 million in 2014 as a result of :

- the absence of financial costs related to debt restructuring in 2014 against a cost of $30.4 million in 2013 reflecting certain waiver and restructuring fees (which could not be amortized) incurred as a result of the implementation of the 2012 Restructuring Principles;
- a 31.8% or $13.4 million decrease in the settlements and change in fair value of derivative instruments from a cost of $42.2 million in 2013 to a cost of $28.8 million in 2014;
- the absence of interest for deferred payments to shipyards in 2014 against a cost of $4.4 million in 2013;

- a $107.8 million decrease in the foreign currency income and expense, net from a cost of $37.5 million in 2013 to a gain of $70.3 million in 2014 mainly reflecting the foreign currency exchange gain due to the translation of borrowings and financial instruments denominated in euros; and
- a $18.1 million increase in other financial income and expense, net from a loss of $3.3 million in 2013 to a gain of $14.8 million in 2014 mainly as a result of higher interest received on financial asset deposits.

Income tax

Income tax decreased by $16.8 million from $100.9 million in 2013 to $84.1 million in 2014. Current tax increased by $8.2 million from $67.0 million in 2013 to $75.2 million in 2014 mainly due to the increase of our shipping agencies' income tax expenses.

Deferred tax expense decreased by $25.0 million from a cost of $33.9 million in 2013 to a cost of $8.9 million in 2014. The variation can be explained by the reduction of deferred tax assets for an amount of $11.1 million in 2014 compared to $19.5 million in 2013, as a consequence of the reassessment of the business plan of the non-tonnage tax eligible activities and by the increased level of withholding taxes related to undistributed profits from subsidiaries by $14.0 million accounted for in 2013.

Profit for the year

As a consequence of all preceding items, profit for the period increased by $181.1 million from a gain of $430.5 million in 2013 to a profit of $611.6 million in 2014.

Non-controlling interests

Non-controlling interests increased by $5.4 million from $22.6 million in 2013 to $28.0 million in 2014, mainly as a result of mainly due to the increased profits of certain of our shipping agencies in which the group does not have control.

Profit for the year attributable to the owners of the parent

Profit for the period attributable to the owners of the parent increased by $175.7 million from a gain of $407.8 million in 2013 to a profit of $583.6 million in 2014.

Year ended December 31, 2013 compared with year ended December 31, 2012

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

	Period ended December 31,			
	2012		2013	
	($ millions)	Percentage	($ millions)	Percentage
Shipping	14,748.1	92.6%	14,751.9	92.8%
Other activities	1,175.1	7.4%	1,149.7	7.2%
Total revenue	**15,923.2**	**100%**	**15,901.5**	**100%**

Revenue

Consolidated operating revenue decreased by $21.7 million, or 0.1% from $15,923.2 million in 2012 to $15,901.5 million in 2013 primarily due to a 2.2% decrease in other activities revenues reflecting, amongst other things, the deconsolidation of our subsidiary Terminal Link combined with a 0.03% increase in container shipping revenue.

Other activities revenue decreased 2.2% or $25.4 million, from $1,175.1 million in 2012 to $1,149.7 million in 2013 primarily due to a reduction of the revenue generated in our intermodal subsidiaries by $17.3 million, the increase of the revenue in our agency network by $27.2 million and the decrease in revenue resulting from the sale of a 49.0% stake in Terminal Link for $38.2 million, as we commenced accounting for our interest in Terminal Link under the equity method as and from June 1, 2013.

The container shipping operating revenue slightly increased by $3.8 million, or 0.03% from $14,748.1 million in 2012 to $14,751.9 million in 2013. Volumes increased 7.5% or 793,600 TEU, from 10,603,100 TEU in 2012 to 11,396,700 TEU in 2013. Average shipping revenue per TEU (calculated as shipping revenue divided by total carried TEU volumes) decreased 6.9% or $96 per TEU from $1,391 per TEU in 2012 to $1,294 per TEU in 2013. In 2013, we experienced significant volatility in freight rates, which resulted on average in lower freight rates during that period compared to 2012.

The 793,600 TEU increase in volumes was mainly attributable to (i) a 502,000 TEU, or 8.5% increase in volumes loaded on our main East West lines (of which 100,600 TEU relate to volume increases on our Asia / Europe (North Europe and Mediterranean) lines and 181,600 TEU relate to volume increases on our lines calling the United States), (ii) a 138,800 TEU or 4.8% increase in volumes loaded on our main North South lines (including Delmas lines which was merged with the Company in 2012) (of which 99,900 TEU relate to our lines calling to Africa), and (iii) a 152,800 TEU increase in volumes loaded on our subsidiaries, most of which is attributable to Cheng Lie Navigation, our subsidiary specializing on intra-Asia lines, and to our Australian subsidiary Australian National Line.

Operating Expenses

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

	Period ended December 31,			
	2012		2013	
	($ millions)	Percentage of revenue	($ millions)	Percentage of revenue
Bunkers and consumables	3,845.1	24.1%	3,537.9	22.2%
Chartering and slot purchases	1,747.8	11.0%	1,781.1	11.2%
Handling and stevedoring	3,402.0	21.4%	3,588.2	22.6%
Inland and feeder transportation	1,533.8	9.6%	1,681.7	10.6%
Port and Canal	1,028.4	6.5%	1,102.0	6.9%
Container rentals and other logistic expenses	1,139.0	7.2%	1,229.2	7.7%
Employee benefits	1,088.8	6.8%	1,143.8	7.2%
General and administrative other than employee benefits	619.3	3.9%	604.4	3.8%
Additions to provisions, net of reversals and impairment of inventories and trade receivables	50.8	0.3%	27.8	0.2%
Other exchange losses/(gains), net	(0.1)	(0.0)%	(17.4)	(0.1)%
Other operating expenses/(income), net	163.0	1.0%	199.2	1.3%
Operating expenses	**14,617.8**	**91.8%**	**14,877.9**	**93.6%**

General

Consolidated operating expenses excluding depreciation increased $260.1 million or 1.8% from $14,617.8 million (or 91.8% of operating revenue) in 2012 to $14,877.9 million (or 93.6% of operating revenue) in 2013, primarily due to a 8.0% decrease in bunkers and consumables, a 1.9% increase in chartering expenses and slot purchases, a 5.5% increase in handling and stevedoring, a 9.6% increase in transportation, a 7.1% increase in port and canal expenses, a 7.9% increase in logistic expenses, a 5.1% increase in employee benefits, a 2.4% decrease in general and administrative, a 1.9% decrease in addition to provision and allowances, exchange rate impact and other operating income and expenses.

Bunkers and consumables

Bunkers and consumables decreased 8.0% or $307.2 million from $3,845.1 million (or 24.1% of operating revenue) in 2012 to $3,537.9 million (or 22.2% of operating revenue) in 2013. This is mainly related to the decrease in our bunkering costs, including bunker swaps and settlement from $3,765.4 million in 2012 to $3,465.3 million in 2013, an 8.0% or $300 million decrease. This is explained by:

- a 1.1% or 61,500 tons increase in our consumption of bunker fuel from 5,675,100 tons in 2012 to 5,736,600 tons in 2013, while carried TEU volume increased by 7.5% in the meantime; and
- the decrease in average bunker rate from $663.5 per ton in 2012 to $604.1 per ton in 2013, a $59.4 per ton decrease (9.0% decrease). The latter decrease was higher than the decrease seen in market prices (Rotterdam fuel prices were down 6.3%) as a result of our efficient purchasing strategy.

Stores and lubricating oil decreased $7 million or 8.8% from $79.7 million in 2012 to $72.6 million in 2013.

Chartering and slot purchases

Chartering and slot purchases increased by $33.4 million or 1.9% from $1,747.8 million in 2012 to $1,781.1 million in 2013. Chartering and slot purchases accounted for 11.2% of operating revenue in 2013 (as compared to 11.0% in 2012). Chartering increased by $2.7 million from $1,510.4 million in 2012 to $1,513.2 million in 2013 mainly as a consequence of low charter rates despite a significant increase of the chartered fleet size which increased from 936,000 slots in December 2012 to 1,020,000 slots in December 2013 (a 9.0% increase). Chartering expenses include both a bareboat charter component and a running cost component that includes items such as crews, maintenance such as lubricating oil and spare parts and insurance. Running costs account for about 52% of chartering expenses in 2013 and

are estimated at $6,400 per day per vessel on average for the chartered fleet (a ratio that has remained stable for the last three years). Slot purchases and other fixed expenses increased by $30.7 million or 12.9% decrease from $237.3 million in 2012 to $268.0 million in 2013.

Handling and stevedoring

Handling and stevedoring increased by $186.3 million or 5.5% from $3,402.0 million in 2012 to $3,588.2 million in 2013, mainly attributable to the 7.5% increase in carried volumes over the same period. Handling and stevedoring expenses accounted for 22.6% of operating revenue in 2013. Stevedoring of full containers increased 4.7% or $133.3 million from $2,849.9 million in 2012 to $2,983.2 million in 2013 while stevedoring of empty containers increased 9.6% or $53.0 million from $552.0 million in 2012 to $605.0 million in 2013.

Inland and feeder transportation

Inland and feeder transportation increased by $147.9 million or 9.6% from $1,533.8 million in 2012 to $1,681.7 million in 2013. Inland and feeder transportation expenses accounted for 10.6% of the operating revenue in 2013. This increase primarily results from a 9.6% or $123.3 million increase in land transportation costs from $1,284.8 million in 2012 to $1,408.1 million in 2013 as our volume of carrier haulage increased, especially in the United States, where the average cost is on average higher and, to a lesser extent, to a $24.7 million or 9.9% increase in third party feeders from $249.0 million in 2012 to $273.7 million in 2013.

Port and canal

Port and canal-related expenses increased 7.1% or $73.5 million from $1,028.4 million in 2012 to $1,102.0 million in 2013. Port and canal expenses accounted for 6.9% of operating revenue in 2013 (as compared to 6.5% in 2012). The increase is mainly due to a 12.9% or $79.6 million increase in port expenses from $615.2 million in 2012 to $694.8 million in 2013 while canal costs decreased by 1.5% or $6.1 million from $413.3 million in 2012 to $407.2 million in 2013 due to currency impact and reduced number of passages.

Container rentals and other logistic expenses

Container rentals and other logistic expenses increased by $90.2 million or 7.9% from $1,139.0 million in 2012 to $1,229.2 million in 2013. Container rentals and other logistic expenses accounted for 7.7% of operating revenue in 2013. This increase is related to:

- a 6.9% or $38.9 million increase in rental of containers and chassis, from $568.1 million in 2012 to $607.1 million in 2013, the fleet of rented containers having increased from 1,666,900 TEU in December 2012 to 1,757,900 TEU in December 2013, a 5.5% or 91,000 TEU increase;

- a 24.3% or $24.2 million increase in containers maintenance and repairs from $99.9 million in 2012 to $124.2 million in 2013; and

- a 5.8% or $27.1 million increase in handling in depots, empty container transportation and storage, from $470.9 million in 2012 to $498.0 million in 2013 mainly as a consequence of an increase in loaded volumes.

Employee benefits

Employee benefits increased by $55.0 million or 5.1% from $1,088.8 million in 2012 to $1,143.8 million in 2013. Employee benefits accounted for 7.2% of operating revenue in 2013. Foreign exchange rate has a negative impact of $13.5 million over the period. The number of employees increased by 4.1% or 655 individuals from 15,792 to 16,447 reflecting on one hand the impact of the deconsolidation of Terminal Link and on the other hand the increase of Asia-Oceania based staff as we developed our shared service centers.

General and administrative expenses

General and administrative decreased by $14.9 million or 2.4% from $619.3 million in 2012 to $604.4 million in 2013. General and administrative expenses accounted for 3.8% of operating revenue in 2013. General and administrative expenses consist of:

- Commissions which decreased by $20.2 million from $207.7 million in 2012 to $187.5 million in 2013;

- Fees which increased by $13.7 million from $187.4 million in 2012 to $201.1 million in 2013;

- Insurance which decreased by $15.6 million from $78.8 million in 2012 to $63.2 million in 2013; and

- Other expenses decreased by $1.8 million from $145.4 million in 2012 to $143.6 million in 2013. Other expenses mainly consist of communication expenses, real estate rentals, bank expenses, taxes not related to income and fines and penalties.

Additions to provisions, net of reversals and impairment of inventories and trade receivables

Additions to provisions, net of reversals and impairment of inventories and trade receivables decreased by $23.1 million from $50.8 million in 2012 to $27.8 million in 2013, mainly due to lower provisions in 2013 compared to 2012 to cover certain receivables whose payment was deemed doubtful in 2012 during a review of receivables at Delmas.

Operating exchange gain/losses

Operating exchange gains / losses changed from a gain of $0.1 million in 2012 to a gain of $17.4 million in 2013.

Other operating income or expenses, net

Other operating expenses increased by $36.2 million or 22.2% from $163.0 million in 2012 to $199.2 million in 2013, principally reflecting the write-off in 2012 of an account payable following renegotiation with one of our suppliers and the increase of vessels maintenance costs.

Operating profit before gains on disposal of property and equipment and subsidiaries, depreciation & amortization, etc

As a consequence of all preceding items, this line item decreased $281.9 million or 21.6% from $1,305.5 million in 2012 to $1,023.6 million in 2013.

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

Gains and losses on property and equipment and subsidiaries increased $325.0 million from $18.9 million in 2012 to $343.8 million in 2013, mainly as a consequence of the disposal of 49% of Terminal Link to CMHI resulting in an accounting gain of $301.1 million in 2013 as well as the disposal of containers in 2012 and 2013 resulting in a $21.4 and $35.7 million gain respectively.

Depreciation and amortization of non-current assets

Depreciation and amortization of non-current assets (including NPV benefit related to assets) decreased by $23.7 million from $310.2 million in 2012 to $286.5 million in 2013. This mainly includes:

- Subsidies (Net Present Value benefit related to assets), which increased by $41.5 million from $95.4 million in 2012 to $136.8 million in 2013, due to the increased number of vessels financed under this arrangement and certain anticipated purchase options;

- Depreciation of vessels, which increased 5.1% or $12.9 million from $254.7 million in 2012 to $267.6 million in 2013, mainly as the consequence of the delivery of one 16,000 TEU container vessel in December 2012 and two additional 16,000 TEU container vessels in April 2013;

- Depreciation of containers, which slightly increased $0.3 million from $54.1 million in 2012 to $54.4 million in 2013; and

- Depreciation of intangible assets, handling equipment and real estate, which increased 4.7% or $4.6 million from $96.8 million in 2012 to $101.4 million in 2013, mainly as a result of the acceleration of the amortization of the current ERP, the useful life of which was reassessed as a consequence of the strategic partnership with SAP aiming at developing a new information system, partly compensated by lower depreciation costs of terminal equipment as a consequence of the disposal of 49% of Terminal Link.

Other income or expenses, net

Other operating income or expenses, net increased by $77.7 million from $45.4 million in 2012 to $123.0 million in 2013. In 2013, this item includes the reversal of a provision relating to litigation over a vessel under construction for $12.0 million, a $43.8 million impairment on certain prepayments for vessels under construction following the renegotiation of this outstanding order dating back 2009, a $59.1 million impairment on terminals still controlled by the Company as part of the reorganization of our terminal operations and last, a $30.6 million adjustment of the provision related to the guarantee granted to CMHI upon the disposal of 49% of Terminal Link due to the circumstantial limitations to pay dividends in certain terminals and the delay in the ramp-up of others.

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

Share of profit (or loss) of the associates and joint ventures decreased by $20.3 million from $39.1 million in 2012 to $18.8 million in 2013. Our share of profit/(loss) of associates or joint ventures mainly relates to shares we hold on terminals (Terminal Link, CMA Terminals) and a few agencies. The decrease results in part from the reversal of a $10.4 million provision in relation to the Tangiers terminal in 2012, in addition to lower performance among our terminals during 2013 as compared to 2012.

Operating profit

As a result of the factors described above, operating profit decreased $31.2 million from $1,007.9 million in 2012 to $976.7 million in 2013. With respect to our container shipping operating segment, revenue increased $3.8 million to $14,751.9 million and EBIT decreased by $286.0 million to $582.2 million in 2013, due mainly to a 7.5% increase in transport volume, a 7.3% decrease in average freight rate and a 5.3% decrease in unit cost per TEU. With respect to other activities, revenue decreased $25.5 million and EBIT slightly decreased $1.2 million, mainly due to the fact that the certain terminals were consolidated under equity method since the disposal of 49% of Terminal Link.

Cost of net debt

Cost of net debt increased by 5.4% or $22.3 million from $409.9 million in 2012 to $432.2 million in 2013 as a result of:

- a $5.5 million increase in interest income from cash and cash equivalents from $10.3 million in 2012 to $15.8 million in 2013, due to our higher cash positions enabling higher investments in cash deposits;
- a 3.1% or $11.0 million decrease in interest expenses on financial debt from $354.2 million in 2012 to $343.3 million in 2013 mainly as a result of the decrease of our financial debt over 2013;
- a $25.1 million increase in financial costs related to debt restructuring from $5.3 million in 2012 to $30.4 million in 2013 reflecting certain waiver and restructuring fees (which could not be amortized) incurred as a result of the implementation of the 2012 Restructuring Principles;
- a $12.4 million decrease in interest rate and foreign currency financial derivatives from a cost of $48.3 million in 2012 to a cost of $35.8 million in 2013; and
- a $26.1 million increase in foreign currency exchange gains and losses on financial debt from a loss of $12.4 million in 2012 to a loss of $38.5 million in 2013, as a consequence of the appreciation of the euro and translation effects on our euro-denominated debt.

Other financial items

Other financial items decreased $50.8 million from a cost of $63.9 million in 2012 to a cost of $13.1 million in 2013 as a result of:

- a $13.4 million decrease in interest for deferred payments to shipyards from $17.7 million in 2012 to $4.4 million in 2013, as the two last vessels in our orderbook for which interests were due to the shipyard were delivered in April 2013;
- a $2.4 million change in fair value & settlement of derivative instruments that do not qualify to hedge accounting from a cost of $8.6 million in 2012 to a cost of $6.2 million in 2013;
- a $3.5 million change in fair value of securities from a gain of $3.8 million in 2012 to a gain of $0.3 million in 2013;
- a $2.9 million increase in the result from the disposal of securities from a loss of $2.0 million in 2012 to a gain of $0.9 million in 2013;
- a $24.1 million change in foreign currency on financial operations, from a loss of $23.1 million in 2012 to a gain of $1.0 million in 2013; and
- a $11.5 million increase in other financial income and expenses, net from a cost of $16.2 million in 2012 to a cost of $4.7 million in 2013, mainly due to termination fees incurred in 2012 in order to early repay certain financing as part of the disposal of the related vessels.

Income tax

Income tax increased by $36.2 million from $64.7 million in 2012 to $100.9 million in 2013. Current tax increased by $9.6 million from $57.4 million in 2012 to $67.0 million in 2013. Various non-recurring items impacting our international activities amounting to $5.0 million are included in this current income tax expense increase.

Deferred tax expense increased by $26.7 million from $7.2 million in 2012 to $33.9 million in 2013. The expense can be explained by the reduction of deferred tax assets for an amount of $19.5 million as a consequence of the reassessment of the business plan of the non-tonnage tax eligible activities and by the increased level of withholding taxes related to undistributed profits from subsidiaries by $14.0 million.

Profit for the period from continued operations

As a result of the factors described above, profit for the period from continuing operations decreased $38.9 million from a gain of $469.4 million in 2012 to a gain of $430.5 million in 2013.

Discontinued operations

Discontinued operations amounted to nil in 2013 as compared to a loss of $108.8 million in 2012 related to the disposal of Compagnie du Ponant.

Profit for the year

As a consequence of all preceding items, profit for the period increased $69.9 million from a gain of $360.6 million in 2012 to a profit of $430.5 million in 2013.

Minority interests

Minority interests decreased by $5.9 million from $28.6 million in 2012 to $22.7 million in 2013, mainly as a result of our strategy to recurrently purchase certain shares held by our minority partners.

Profit for the period attributable to the owners of the parent

Profit for the period attributable to the owners of the parent increased $75.8 million from a gain of $332.0 million in 2012 to a profit of $407.8 million in 2013.

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 receivable securitization program 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 $984.5 million, $984.0 million, $1,100.6 million and $477.7 million in 2012, 2013, 2014 and for the three months ended March 31, 2015, respectively.

	As of December 31,			Three months ended March 31
	2012	2013	2014	2015
		($ millions)		($ millions)
Profit for the period	360.6	430.5	611.6	413.3
Depreciation and amortization	405.6	423.4	401.1	98.0
Net present value (NPV) benefits related to assets financed by tax leases	(95.3)	(136.8)	(78.9)	(11.2)
Other income and expense	45.4	123.0	83.5	(17.6)
Discontinued operations	108.8	0.0	0.0	0.0
Increase/(Decrease) in provisions	47.0	31.9	9.9	4.1
Loss/(Gains) on disposals of property and equipment and subsidiaries	(18.9)	(343.8)	(27.9)	0.9
Share of (Income) from associates and joint ventures	(39.1)	(18.8)	(5.7)	(3.1)
Interest expenses on net borrowings	401.5	373.5	292.7	73.3
Income tax	64.6	100.9	84.1	22.3
Prepaid expenses and deferred income	64.5	2.7	(17.9)	(134.3)
Other non-cash items	8.1	55.6	(42.0)	(40.0)
Change in working capital	(318.3)	4.1	(141.1)	90.4
Cash flow from operating activities	1,034.5	1,046.2	1,169.4	496.1

	As of December 31,			Three months ended March 31
	2012	2013	2014	2015
		($ millions)		($ millions)
before tax				
Income tax paid	(50.0)	(62.2)	(68.8)	(18.4)
Cash flows from operating activities net of tax	**984.5**	**984.0**	**1,100.6**	**477.7**

During the three months ended March 31, 2015, we generated net cash from operating activities of $477.7 million, principally reflecting profit of $413.3 million for the period, plus depreciation and amortization of $98.0 million, less NPV benefits related to assets financed by tax leases of $11.2 million, less other income and expenses of $17.6 million, plus increase in provisions of $4.1 million, plus gains on disposals of property and equipment and subsidiaries of $0.9 million, less share of income from associates and joint ventures for $3.1 million, plus interest expenses on net borrowings of $73.3 million, plus income tax of $22.3 million, less prepaid expenses and deferred income of $134.3 million (due to the decrease of deferred income as at March 31, 2015 compared to December 31, 2014 resulting mainly from volume and price effects and the increase of prepaid expenses as a result of certain costs being deferred on long term bareboat vessels), less other non-cash items of $40.0 million, plus a positive change in working capital of $90.4 million (mainly due the decrease of the value of our bunkers' stocks) and less income tax paid of $18.4 million.

In 2014, we generated net cash from operating activities of $1,100.6 million, principally reflecting profit of $611.6 million for the year, plus depreciation and amortization of $401.1 million, less NPV benefits related to assets financed by tax leases of $78.9 million, plus other income and expenses of $83.5 million, plus increase in provisions of $9.9 million, less gains on disposals of property and equipment and subsidiaries of $27.9 million, less share of income from associates and joint ventures for $5.7 million, plus interest expenses on net borrowings of $292.7 million, plus income tax of $84.1 million, less prepaid expenses and deferred income of $17.9 million, less other non-cash items of $42.0 million, plus a negative change in working capital of $141.1 million (mainly due to increasing account receivables in line with rising volume and freight rates evolution and decreasing accounts payables in line with unit costs evolution) and less income tax paid of $68.8 million.

In 2013, we generated net cash from operating activities of $984.0 million, principally reflecting profit of $430.5 million for the year, plus depreciation and amortization of $423.4 million, less NPV benefits related to assets financed by tax leases of $136.8 million, plus other income and expenses of $123.0 million, plus increase in provisions of $31.9 million, less gains on disposals of property and equipment and subsidiaries of $343.8 million, less share of income from associates and joint ventures for $18.8 million, plus interest expenses on net borrowings of $373.5 million, plus income tax of $100.9 million, plus prepaid expenses and deferred income of $2.7 million, plus other non-cash items of $55.6 million, plus a positive change in working capital of $4.1 million and less income tax paid of $62.2 million.

In 2012, we generated net cash from operating activities of $984.5 million, principally reflecting profit of $360.6 million for the year, plus depreciation and amortization of $405.6 million, less NPV benefits related to assets financed by tax leases of $95.3 million, plus other income and expenses of $45.4 million, plus result from discontinued operations of $108.8 million, plus increase 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, plus interest expenses of net financial debt of $401.5 million, plus income tax of $64.6 million, plus prepaid expenses and deferred income of $64.5 million, plus other non-cash items of $8.1 million, less a negative change in trade working capital of $318.3 million (mainly due to increasing account receivables in line with rising volume and freight rates evolution and decreasing accounts payables in line with unit costs evolution) and less income tax paid of $50.0 million.

Net cash used by investing activities

Net cash (used)/received by investing activities was $183.5 million, $344.4 million and $155.6 million and $(95.3) million in 2012, 2013, 2014 and in the three months ended March 31, 2015, respectively.

	As of December 31,			As of March 31,
	2012	2013	2014	2015
		($ millions)		($ millions)
Purchases of intangible assets	(25.4)	(25.2)	(53.2)	(11.2)
Purchase/ disposals of subsidiaries, net of cash acquired/divested	0.0	514.3	5.4	3.4
Purchases of property and equipment	(100.8)	(248.9)	(314.5)	(31.8)
Proceeds from disposal of property and equipment	66.0	173.6	193.9	4.4
Proceeds from disposal of assets classified as held-for-sale	123.9	8.7	50.0	0.0
Dividends received from associates and joint-ventures	6.5	17.8	13.5	8.7

	As of December 31,			As of March 31,
	2012	2013	2014	2015
		($ millions)		($ millions)
Variation in other financial assets	(259.3)	120.9	50.9	(69.6)
Variation in securities	(5.6)	(216.8)	209.6	0.8
Net cash used by investing activities	**(183.5)**	**344.4**	**155.6**	**(95.3)**

During the three months ended March 31, 2015, net cash used for investing activities was $95.3 million, predominantly reflecting acquisitions of tangible assets for $31.8 million relating mainly to acquisitions of vessels, as well as containers, and acquisitions of intangible assets for $11.2 million relating mainly to IT developments. Disposal of fixed assets provided $4.4 million in cash related to the sale of containers. We also received $8.7 million of dividends from associates and joint-ventures. Net cash used by investing activities was finally impacted by a negative variation of $69.6 million in other financial assets, mainly as a result of cash deposits not qualifying to cash equivalents for $28.9 million and a cash advance made to Terminal Link for $31.5 million.

In 2014, net cash provided by investing activities was $155.6 million, predominantly reflecting acquisitions of tangible assets for $314.5 million relating mainly to acquisitions of vessels ($141.7 million of which related to vessels to be delivered in upcoming years and various fixtures), as well as containers ($147.8 million), real estate, stevedoring equipment and terminals, and acquisitions of intangible assets for $53.2 million relating mainly to IT developments. Disposal of fixed assets provided $243.9 million in cash, out of which $187.9 million related to the sale of containers, and $209.6 million was provided by the sales of marketable securities. We also received $13.5 million of dividends from associates and joint-ventures. Net cash used by investing activities was finally impacted by a positive variation of $50.9 million in other financial assets, mainly as a result of the anticipated repayment of Compagnie du Ponant loan and Global Ship Lease redeemable shares for $48.2 and $36.4, respectively.

In 2013, net cash provided by investing activities was $344.4 million, predominantly reflecting the disposal of subsidiaries for $514.3 million related to the sale of 49% stake in Terminal Link, the acquisitions of tangible assets for $248.9 million relating mainly to acquisitions of vessels ($180.4 million of which related to vessels to be delivered in upcoming years and various fixtures), containers ($37.8 million) as well as real estate, stevedoring equipment and terminals, and acquisitions of intangible assets for $25.2 million relating mainly to IT developments. Disposal of fixed assets provided $182.3 million in cash, $26.9 million of which related to the sale of ships and $151.5 million to the sale of containers, and $216.8 million was used to purchase marketable securities. We received $17.8 million of dividends from associates and joint-ventures. Net cash used for investing activities was finally impacted by a positive variation of $120.9 million in other financial assets, out of which mainly $48.1 million was related to reduced escrowed amounts deposited under loan-to-value covenants in certain of our financing arrangements, and back-to back loans of $76.1 million was repaid by certain financial institutions as part of a financing arrangement.

In 2012, net cash used by investing activities was $183.5 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 $5.6 million was provided by the sales of marketable securities. We received $6.5 million of dividends from associates and joint-ventures.Net cash used for investing activities was finally impacted by a positive variation of $259.3 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.

Net cash used for financing activities

Net cash used for financing activities was $928.9 million, $581.3 million, $844.0 million and $219.7 million in 2012, 2013, 2014 and in the three months ended March 31, 2015, respectively.

	As of December 31,			As of March 31,
	2012	2013	2014	2015
		($ millions)		($ millions)
Issuance of bonds redeemable in shares	—	250.0	0.0	0.0
Dividends paid to the owners of the parent company and non-controlling interest	(18.0)	(62.3)	(64.9)	(41.3)
Proceeds from bank borrowings, net of issuance costs	109.4	958.0	309.4	23.2
Repayments of bank borrowings	(386.7)	(1,155.9)	(577.0)	(127.8)

	As of December 31,			As of March 31,
	2012	2013	2014	2015
		($ millions)		($ millions)
Principal repayment on finance leases	(208.5)	(187.2)	(135.5)	(12.6)
Decrease in liabilities associated with assets held-for-sale	(74.9)	(6.3)	(29.5)	0.0
Interest expenses on net borrowings	(388.3)	(380.9)	(302.0)	(33.7)
Refinancing of assets	52.3	73.1	0.0	0.0
Other financing fees and interests	0.0	(72.7)	(16.4)	(1.3)
Acquisition of non-controlling interests	(10.5)	0.0	0.0	0.0
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts	(3.6)	2.9	(28.1)	(26.2)
Net cash used for financing activities	**(928.9)**	**(581.3)**	**(844.0)**	**(219.7)**

During the three months ended in March 31, 2015, net cash used for financing activities was partly related to a $23.2 million increase in financial debt (of which mainly $19.9 million related to a drawdown on our receivables securitization program) while an amount of $41.3 million of dividends was paid to shareholders. The decrease in bank borrowings accounted for $127.8 million, of which $6.4 million of repayment on senior notes, $33.2 million of repayment of certain term loans, $50.5 million of repayment on bank borrowings related to vessels, $18.0 million of repayment on bank borrowings related to containers, and $19.4 million of repayment related to various bank borrowings. The decrease in finance leases accounted for $12.6 million, of which $3.8 million related to vessels, $5.5 million related to containers and $3.3 million related to other finance leases. Interest paid on net borrowings accounted for $33.7 million and other financing fees and interests for $1.3 million. Finally, a negative effect of exchange rate changes on cash and cash equivalents and bank overdrafts accounted for $26.2 million.

In 2014, net cash used for financing activities was partly related to a $309.4 million increase in financial debt (of which mainly $209.6 million related to the drawdown on our program of securitization of receivables and $90.1 million related to the drawdown on a refinancing term loan) while an amount of $24.9 million of dividends was paid to minority shareholders of our agency network and $40.0 million was paid to our shareholders. The decrease in bank borrowings accounted for $577.0 million, of which $55.5 million of interest payments on ORA (for the portion accounted for as repayment of debt), $25.5 million of repayment on senior notes, $119.6 million of repayment of certain term loans, $171.9 million of repayment on bank borrowings related to vessels, $52.0 million of repayment on bank borrowings related to containers, $21.9 million of repayment on bank borrowings related to buildings, $102.0 million of repayment of vessel vendor loans and $28.6 million of repayment related to various bank borrowings. The decrease in finance leases accounted for $135.5 million, of which $95.2 million related to vessels, $27.2 million related to containers and $13.1 million related to other finance leases. Decrease in liabilities associated with assets held-for-sale for $29.5 million corresponded to the repayment of a debt following the disposal of a vessel. Interest paid on net borrowings accounted for $302.0 million and other financing fees and interests for $16.4 million. The negative effect of exchange rate changes on cash and cash equivalents and bank overdrafts accounted for $28.1 million.

In 2013, net cash used for financing activities was partly related to the issuance of ORA for $250.0 million, $150.0 million of which was subscribed for by BPI and $100.0 million of which was subscribed for by Yildirim as the Additional Yildirim ORA, and for the increase in financial debt for $958.0 million (of which $269.8 million related to the drawdown on our programs of securitization of receivables, $402.3 million related to senior notes issuance, $197.7 million related to drawing on revolving credit facilities, $80.5 million related to a bridge loan and $7.7 million related to other financings) while an amount of $37.3 million of dividends was paid to minority shareholders of subsidiaries and $25.0 million was paid to our shareholders. The decrease in financial debt accounted for $1,155.9 million, mainly related to $579.8 million repayment of revolving credit facilities, $44.8 million of interest payments on ORA (for the portion accounted for as repayment of debt), $57.6 million of repayment on senior notes, $166.7 million of repayment on bank borrowings related to vessels, $52.5 million of repayment on bank borrowings related to containers, $21.4 million of repayment on bank borrowings related to buildings, $98.0 million of repayment of vessel vendor loans, $80.5 million repayment of a bridge loan drawn in the same financial year and $54.6 million repayment related to various other debts. The repayment of finance lease accounted for $187.2 million, of which $127.4 million related to vessels, $54.6 million related to containers and $5.2 million to various leases. Interest paid on net borrowings accounted for $380.9 million and other financing fees and interests for $72.7 million due to debt restructuring. Certain assets were also refinanced for an amount of $73.1 million. The positive effect of exchange rate changes on cash and cash equivalents and bank overdrafts accounted for $2.9 million.

In 2012, net cash used for 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 $18.0 million of dividends was paid to minority shareholders of our agency network 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 (for the portion

accounted for as repayment of debt), $25.5 million of repayment on senior notes, $157.1 million of repayment on bank borrowings related to vessels, $14.0 million repayment on our securitization of receivables, $52.5 million repayment on bank borrowings related to containers, $20.0 million repayment of vessels vendor loans, $12.0 million repayment in relation to a financing of IT investments, $9.9 million repayment of a debt of our stevedoring subsidiaries in Somaport and $42.9 million repayment related to various other debts. The decrease in leasing debt accounted for $208.5 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 paid on net borrowings accounted for $388.3 million. Certain assets were also refinanced for an amount of $52.3 million. The negative effect of exchange rate changes on cash and cash equivalents and bank overdrafts accounted for $3.6 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,			Three months ended March 31,	
	2012	2013	2014	2014	2015
			($ millions)		
Ships	179.7	459.9	141.8	3.0	113.7
Containers	56.7	37.8	147.8	56.6	4.5
Software	27.7	70.8	77.3	17.0	17.2
Other[(1)]	25.9	31.0	28.7	9.0	4.6
Total	**290.0**	**599.5**	**395.6**	**85.6**	**140.0**

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

We expect net cash paid out for capital expenditures in 2015 to be approximately $500.0 million. The following is a summary of capital expenditure expectations for 2015:

- Capital expenditures of approximately $1,030.0 million in the full year 2015 of which:
  - approximately $530.0 million relates to new built vessels in our orderbook or currently under discussion, $288 million relates to the acquisition of three 17,500 TEU ships that have been, or will be, delivered in 2015, $132.0 million relates to the acquisition of three 20,600 TEU ships to be delivered in 2017 and $67.0 million relates to the order of three 14,000 TEU owned vessels to be delivered in 2016 and 2017 which has been approved by our board of directors;
  - approximately $60.0 million relates to the maintenance of our fleet as well as to changes of the bulbous bows of some of our vessels;
  - approximately $200.0 million relates to containers, most of them under financial lease;
  - approximately $90.0 million relates to information systems, most of which is in relation to the introduction of SAP; and
  - approximately $150.0 million relates to other items such as investment in terminals, real estate and dry ports as well as the disbursement of the acquisition price of 60% of LCL Logistics which we announced on April 30, 2015 and 100% of OPDR which remains subject to the approval of the relevant competition authorities.
- Financings for an amount of approximately $530.0 million. We have already secured financing for $290.0 million of these capital expenditures (in particular with respect to vessels) and expect to obtain further financings for vessels and containers for an amount of approximately $230.0 million, either under mortgage financing or lease financing, hence resulting in an expected net cash out of approximately $500.0 million for 2015.

In addition to those capital expenditures, we have the option to acquire certain vessels we currently operate and we finance under tax lease schemes. Exercising such option(s) could result in an increase of our investment accounted for on the balance sheet by approximately $160.0 million although the net cash impact would only amount to approximately $60.0 million after taking into consideration the amount of cash collateral held against such schemes as well as the early redemption of junior loans due to us.

These amounts do not include discretionary capital expenditures.

Contractual Obligations and Commercial Commitments

The following table shows our contractual obligations and commercial commitments as of March 31, 2015, on a pro forma basis after giving effect to the issuance of the notes and the use of the net proceeds therefrom, including the refinancing of the 2017 Senior Notes and the 2019 Senior Notes as described under "Use of Proceeds."

	Due December 31,						
	2015	**2016**	**2017**	**2018**	**2019**	**After 2019**	**Total**
				($ in millions)			
Senior notes	15.5	21.6	21.9	325.6		—	**384.6**
Bank borrowings	256.1	257.0	242.6	268.1	145.0	586.7	**1,755.5**
Obligations under finance leases	96.6	123.7	98.1	99.4	90.9	366.6	**875.3**
Bank overdrafts	314.3	—	—	—	—	—	**314.3**
Securitization program	(1.4)	(1.9)	838.5	—	—	—	**835.2**
Initial Notes						576.6	**576.6**
Additional Notes	—	—	—	—	—	184.6	**184.6**
Other borrowings	84.8	2.3	1.7	0.9	0.7	4.4	**94.8**
Out of which accrued interests	72.7	—	—	—	—	—	**72.7**
Debt related to assets classified as held for sale	—	—	—	—	—	—	**—**
Total debt obligations excluding bank overdraft, securitization and accrued interests	380.3	404.6	364.3	694.0	236.6	1,718.8	**3,798.6**
Total debt obligations	765.9	402.7	1,202.8	694.0	236.6	1,718.8	**5,020.8**
Vessel purchase commitments-financed[1]	196.0	61.1	—	—	—	—	**257.1**
Vessel purchase commitments-non-financed	28.0	19.0		—	—	—	**47.0**
Vessel cancellation cash costs	—	—	—	—	—	—	**—**
Time charter payments	844.5	912.7	837.7	810.3	799.0	2,905.3	**7,109.4**
—Vessels in fleet	*768.7*	*652.7*	*548.5*	*521.2*	*509.9*	*1,437.8*	**4,438.8**
—Vessels to be delivered	*75.7*	*260.0*	*289.1*	*289.1*	*289.1*	*1,467.5*	**2,670.6**
Container rentals commitment	473.6	460.0	448.6	324.6	191.0	210.4	**2,108.2**
Total commitments	**1,542.1**	**1,452.8**	**1,286.3**	**1,134.9**	**990.0**	**3,115.7**	**9,521.7**
Total debt obligations and commitments	**2,308.0**	**1,855.5**	**2,489.1**	**1,828.9**	**1,226.6**	**4,834.6**	**14,542.5**

(1) This table does not include the three 20,600 TEU vessels ordered on April 2, 2015 representing purchase commitments for amounts of $132.2 million and $56.2 million respectively in 2015 and 2016. This table also does not include for the recently placed order for six 14,000 TEU vessels (of which three vessels are expected to be chartered and three vessels are expected to be owned), representing with respect to the three owned vessels prospective purchase commitments of $67.0 million and $105.0 million respectively in 2015 and 2016.

On May 19, 2015, we launched a consent solicitation and cash tender offer (the "Vega Tender Offer") for all of the outstanding Class A Notes at a maximum price of 106% of the principal amount thereof. 100% of the holders of Class A Notes participated in the Vega Tender Offer to tender their Class A Notes and to affirm their consent to the proposed modifications to the securitization documents. Payment of the consideration for the Vega Tender Offer to holders of the Class A Notes accepted for purchase was made on June 3, 2015 in an aggregate amount of $74.4 million, including accrued and unpaid interest from the last interest payment date up to and including the settlement date of June 3, 2015. See—"*Description of Certain Financing Arrangements—Vessel Financing Securitization*."

Off Balance Sheet Arrangements

We have no off balance sheet arrangements, other than the commitments as disclosed in Note 29 of our Audited Consolidated Financial Statements and Note 21 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, 2013 and 2014, our consolidated income statement reflected $3,537.8 million and $3,493.9 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 March 31, 2015, 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. We may, however, conclude derivative financial transactions from time to time to hedge specific risks.

As of March 31, 2015, we entered into short-term deposit instruments containing interest rate bonuses in order to improve the average interest rates on its cash deposits. The value of these instruments may fluctuate based on the level of the euro-U.S. dollar exchange rate. The nominal amount as of March 31, 2015 amounts to $403.4 million.

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, 2014, taking into account the interest rate hedges, indebtedness bearing interest at variable rates represented 48% of total indebtedness.

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 2014 Audited Consolidated Financial Statements presented elsewhere in this Luxembourg listing particulars.

Leases

The International Accounting Standards Board ("IASB") and the Financial Accounting Standards Board ("FASB") released an exposure draft in June 2013. A second 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 as it may end the distinction between operating and finance leases. The Board expects to issue the new standard by the end of 2015 but has not yet discussed an effective date.

This would 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 would be split into an amortization expense of an intangible asset and a financial expense, except for the running costs which would remain accounted for as an operating expense.

The boards' conclusions in the exposure drafts 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 also depends 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 29.1 to the 2014 consolidated financial statements presented elsewhere in this Luxembourg listing particulars.

Revenue from contracts with customers

IFRS 15 was issued in May 2014 by the Board of IASB on the recognition of revenue from contracts with customers. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple element arrangements.

The new standard shall be applicable from January 1, 2017 under IFRS but is not yet adopted by the EU. On April 28, 2015, the IASB voted in favor of the issuance of an exposure draft aimed at postponing the application date for the new standard to January 1, 2018.

The Company will realize an in depth analysis of the requirements of the new standard. At this stage, Management preliminary considers that it should not materially impact the current accounting method for revenue recognition.

Critical Accounting Policies and Significant Accounting Estimates

Note 2.4 to the Company's consolidated financial statements for 2014 included elsewhere in this Luxembourg 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 2014 details accounting estimates deemed significant by management that include, among others:

- impairment of non-financial assets;
- determination of the vessels useful lives and residual values;
- deferred taxes;
- analysis of the nature of control over the subsidiaries;
- demurrage receivables, 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.

INDUSTRY OVERVIEW

All the information and data presented in this section, including the analysis of the international container shipping industries has been provided by Drewry. Drewry has advised us 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; (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.

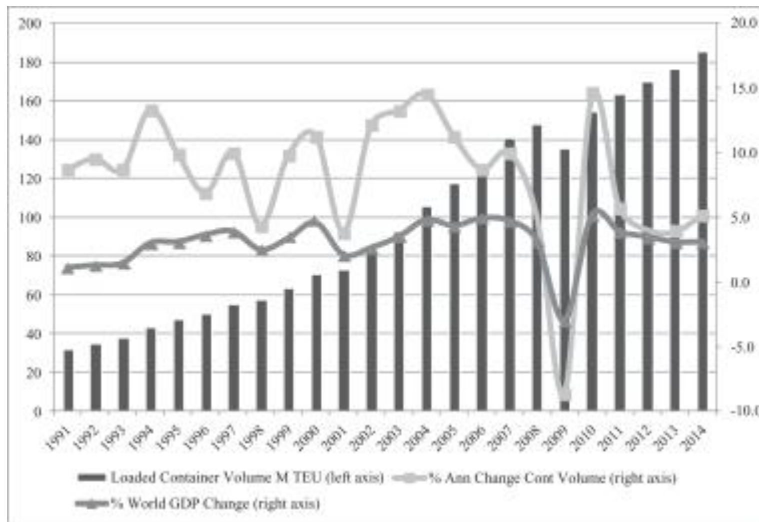
Overview

The maritime shipping industry is fundamental to international trade as it is the only practicable and cost effective way of transporting large volumes of many essential commodities and semi-finished/finished goods over long distances. Approximately 90% of world trade in volume terms is carried by sea. Seaborne cargo is broadly categorized as either dry or liquid cargo. Dry cargo includes dry bulk cargo, containerized cargo, and non-containerized cargo which is often referred to as general cargo. Liquid cargo includes crude oil, refined petroleum products, vegetable oils, gases and chemicals. In 2014, 10.2 billion tons of cargo (of all types) was moved by sea, of which 6.6 billion tons were dry cargo and 3.6 billion tons were liquid cargo.

Demand for shipping is a product of the physical quantity of the cargo (measured, depending on the cargo in terms of standard container sizes, tons, barrels, or cubic meters), together with the distance the cargo is carried. Generally, demand cycles move broadly in line with developments in the global economy as well as with other factors such as changes in regional raw material prices. Volumes on specific trade routes can also be affected by rates of exchange differentials and trade disagreements between individual countries.

Container shipping occupies an increasingly important position in world trade and it is the fastest growing sector of international shipping. Containerships are the principal way to transfer finished and semi-finished goods, and therefore as population and global GDP grow containership demand should continue to grow as well. The relationship between container trade growth and changes in global GDP is shown in the chart below.

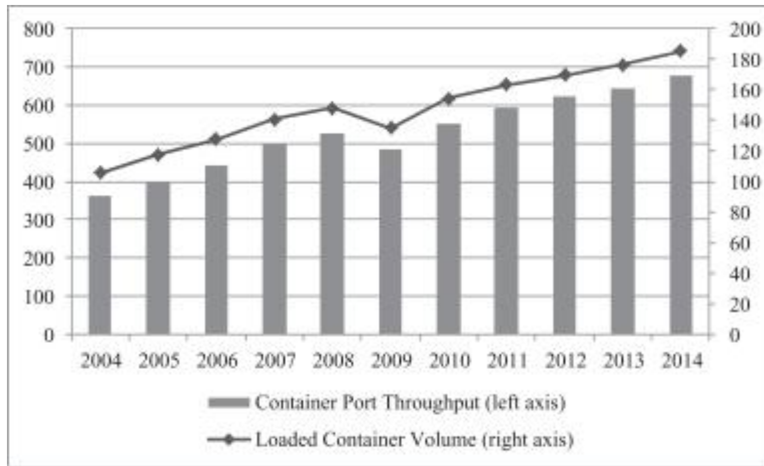
World Loaded Container Volumes and Global GDP



Source: Drewry

Global container trade has increased every year since the introduction of long-haul containerized shipping lanes in the late 1960s, with the exception of 2009. Although container trade fell in volume terms for the first time in history in 2009, it quickly recovered in 2010 in the wake of renewed growth in the world economy and inventory re-building. In 2011, approximately 160 million TEU of containerized cargo was transported by sea, representing an increase of 7.0% over 2010. By 2013, total container trade had grown to 176 million TEU and the data for 2014 indicates further growth to 185 million TEU. Overall, on a TEU basis, container trade grew by a CAGR of 5.8% between 2004 and 2014.

World Loaded Container Volume and Port Throughput 2004 to 2014 *(Million TEU per annum)*



Source: Drewry

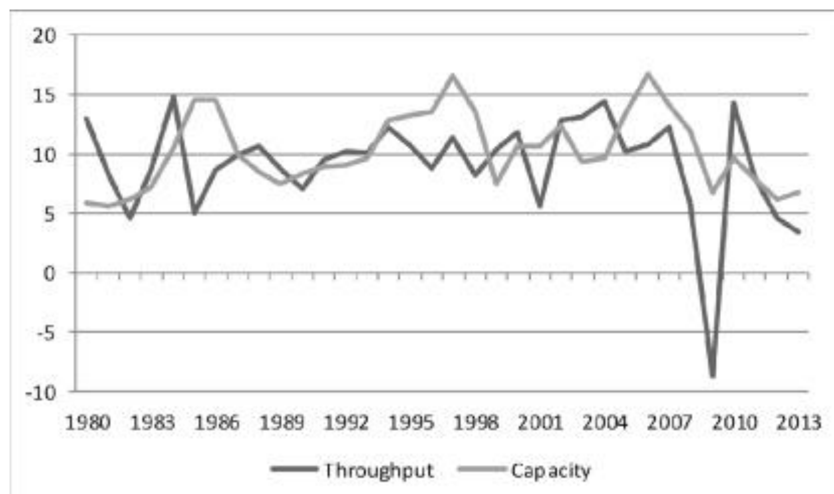
Ship supply is determined by the size of the existing fleet, either measured in terms of container boxes of twenty foot equivalent units (TEUs) in the case of container vessels. Changes in supply are influenced by a variety of factors, including the size of the existing fleet by number and ship size; the rate of deliveries of newbuildings and the rate of removals from the fleet (scrapping). Other factors such as operating efficiency (for example, port congestion and vessels speed/vessel idling also affect ship supply.

Containerships range in size from ships able to carry less than 500 TEU, to those with capacity in excess of 20,000 TEU. The containership fleet has grown rapidly to meet the increase in global trade, rising from under 2 million TEU at the end of 1991 to 18.4 million TEU in April 2015. Matching capacity with demand has however been the perennial challenge for the industry, and there is some excess capacity as a result of the high levels of new ordering which occurred between 2006 and 2008 and to a limited extent again in mid-2010 and late 2011. At its peak in 2008, the total container orderbook to existing fleet ratio was 60.0%, but it has since declined and in April 2015 was equivalent to 17.7% of the existing fleet.

Approximately 59.0% of the April 2015 containership orderbook is made up of ships over 10,000 TEU and these ships will be restricted to relatively few trades owing to their size. At the other end of the spectrum there are relatively few new orders for ships below 3,000 TEU which have traditionally been used in feeder type employment. This is because the size of feeder ships is increasing and ships of 3,000-5,000 TEU are now providing feeder and transshipment services to the largest ships working the main east-west routes. In recent months, a few owners have targeted some new sub-3,000 TEU orders aimed at deployment within intra-Europe, intra-Asian and Chinese domestic trades.

In 2009, vessel charter rates fell due to rising supply and very weak demand. In 2010 and 2011, charter rates recovered partly as there was a surge in containership demand brought about by re-stocking in the developed economies. Since 2012, time charter rates for most sizes of containerships have improved by a modest amount.

Global Container Throughput and Fleet Capacity, 1980 to 2014
(Annual Percent Change)



Source: Drewry

Overall, the container shipping market in volume terms continues to grow, but global fleet growth will present a challenge to the industry as carriers seek to deploy the very large containerships across their portfolio of services without damaging the supply/demand balance Within this situation there is also a focus in the industry to (i) reduce costs (ii) maximize operational efficiency through the use of alliances and possibly via mergers and acquisitions.

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 high cube 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 to 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 ships.

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, 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 regularly 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 to around 18 knots on some major routes and deployed more ships on some voyage strings. This strategy is known as slow steaming and many ships built since 2011 now only have a maximum design speed of 21.5 knots. This has also had a positive environmental effect in helping reduce ship emissions.

Containership Demand

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 world container trade growth is thus primarily driven by the growth in economic output and consumption and changes in global sourcing and patterns of world trade. Generally, growth in GDP and industrial production correlate with changes in the demand for international container shipping. GDP is 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 overall in the period 2010 to 2014 the multiple has averaged about 1.5. Overall, the central relationship between GDP and container trade is now lower than it was before the economic crisis in 2009. It is also the case that the relationship is not only driver of trade growth. Exchange rates for example, can also be a driver of trade and in the transatlantic trades in 2014 high trade growth was related to the strength of the U.S. Dollar, as well as to strength of the U.S economy.

One of the reasons for the fall from the long term average is that the outsourcing trend to China is reaching a stage of maturity. When China joined the World Trade Organisation (WTO) in 2001 the outsourcing of manufacturing to China led to a huge boom in trade and also a large orderbook for big container ships. However, outsourcing to China has reached a plateau, in part, because wage and production costs have increased significantly in China over the last decade or more. As a result companies have decided to move the source of their manufacturing new lost production centers such as Eastern Europe, Mexico, South East Asia and the Indian Subcontinent.

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 liner companies and the container industry. However, this concept was turned on its head in 2007/08 with the onset of much higher fuel prices and the advent of liner slow steaming. Average transit times in the deep-sea trades are now much longer than they were five or six years ago.

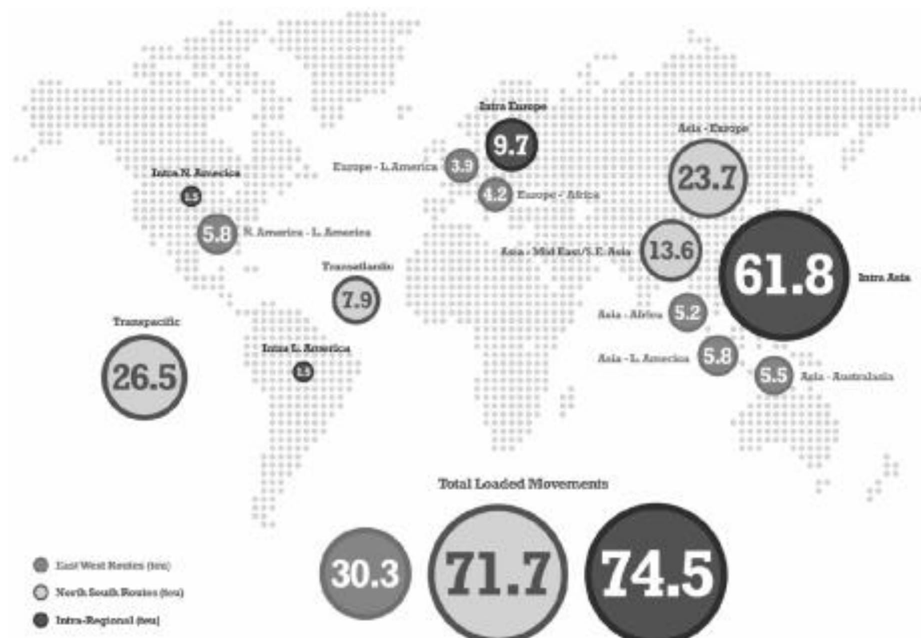
In addition to the levels of economic growth, there are several structural factors that also impact global container trade, including continuing penetration by containerization of traditional shipping sectors. These include general cargo and refrigerated cargo markets and, to a limited extent, even some dry and wet bulk commodities, which traditionally have been the preserve of the dry bulk carrier and oil tanker markets. Container operators have made significant inroads into the specialized refrigerated market in the last 5-10 years, also helped by the lack of investment in new reefer ships.

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 ships 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 four core trades in the container shipping industry: the Transpacific, Transatlantic, Asia-Europe and Asia-Middle East/South East Asia trades. These trades are often referred to as the East-West routes.

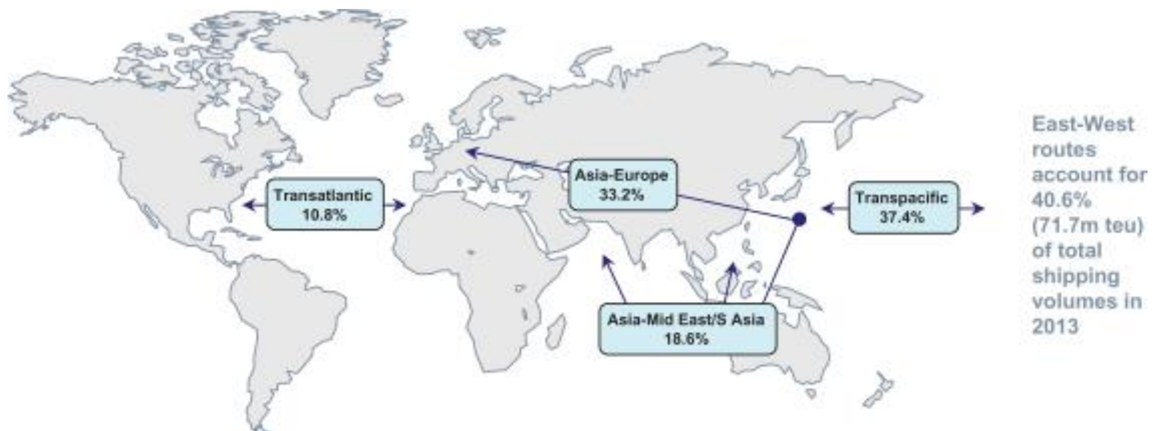
The Main Container Trades[1]
(Million TEU)



(1) Based on 2013
Source: Drewry

Trade along these routes 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 ships. The East-West trades are generally served by the large and very large containerships.

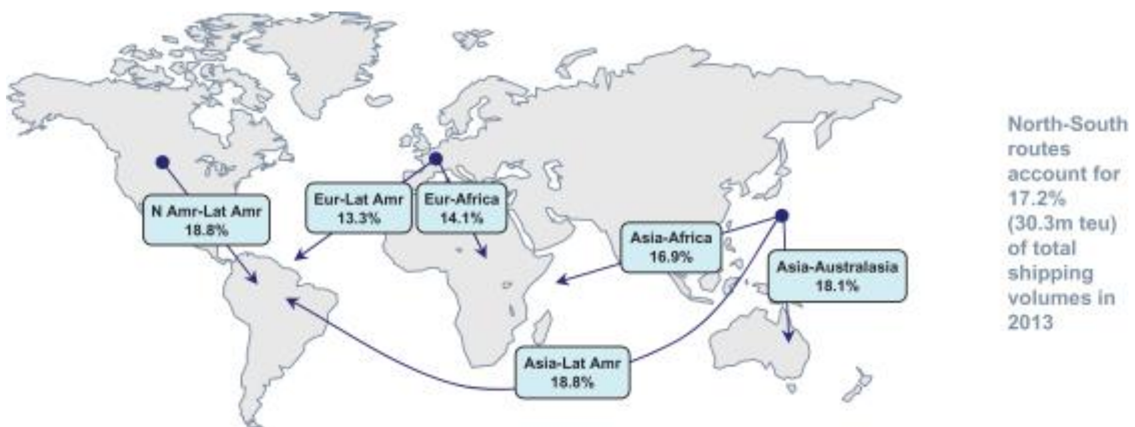
Containerized Seaborne Trade—Main East-West Routes : 2013



Source: Drewry

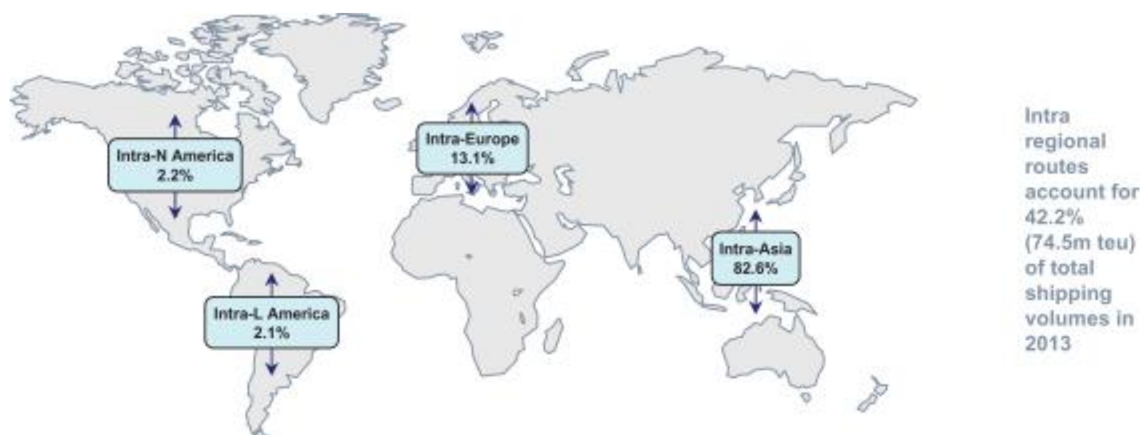
In 2014 the Asia to Europe and Asia to U.S. head haul trades increased in volume terms and they continue to dominate overall movements. Supporting the main east-west trades are the North-South trades and a network of regional trades, of which the largest is the intra-Asia market. Other regional trades include the Europe-Mediterranean, Caribbean-United States, Asia-Australia and North America-South America trades. The North-South trades are generally served by the Panamax and Post-Panamax containerships, although in the last two to three years, more ships of around 8,000-9,000 TEU are being deployed in the North-South routes. Regional trades are generally served by feeder and Handysize containerships, but lately up to Panamaxes. The maps below indicate the main North-South and intra-regional trades.

Containerized Seaborne Trade—Main North-South Routes



Source: Drewry

Containerized Seaborne Trade—Main Intra-Regional Trades



Source: Drewry

The following table shows the trades on which different sizes of containerships may adequately be deployed.

		Ship Size TEU							
Trades	**Routes**	**<1,000**	**1,000-1,999**	**2,000-2,999**	**3,000-4,999**	**5,000-7,999**	**8,000-9,999**	**10,000-14,000**	**14,000 +**
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

Types of Containerships

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. In some cases, smaller container ships will be equipped with their own cranes for loading and unloading and these ships are often referred to as "geared" ships. The larger ships—typically over 3,000 TEU are virtually all "gearless". Partly cellular containerships include roll-on/roll-off ships, 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:

- **Super/Ultra Large:**

Super and Ultra Large ships (with capacity in excess of 14,000 TEU) are currently exclusively deployed on the Asia-North Europe and Mediterranean and Transpacific trades.

- **Large/Very Large:**

Large and Very Large ships have a capacity of 8,000 to 13,999 TEU and are currently deployed on the Transpacific, Asia-Middle East and Asia/Europe to Latin America trades. A few units of 8,000 TEU have recently been deployed on the Asia to West Africa trade.

- **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 the ships' width restrictions. However, the widening of the Panama Canal will be complete in early 2016 and this will allow ships with capacity of up to 13,500 TEU to transit the waterway. Ships of this size (5,000-7,999 TEU) are mainly deployed in many smaller or developing 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 ships they can across their service portfolios in order to minimize slot costs. However, in the last six months, fewer Panamaxes have been scrapped and many older ships have found employment in new trades at higher daily charter rates.

- **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:**

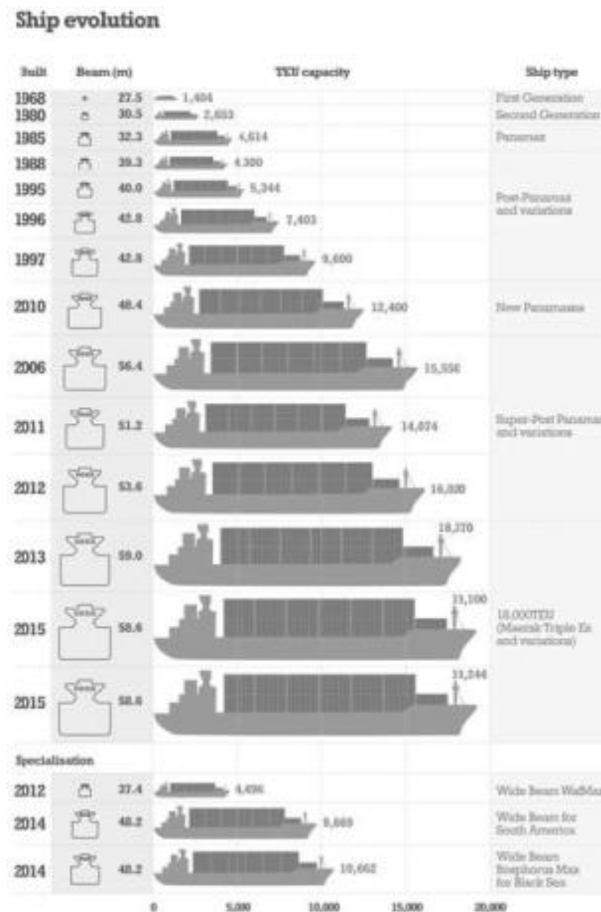
Smaller ships with capacities ranging from 1,000 to 1,999 TEU, for use in regional trades—a primary example being the intra-Asian trades.

- **Feeder:**

Ships with a capacity of less than 1,000 TEU, which are usually employed as feeder ships on trades to and from hub ports or on small niche trades or domestic routes.

Since the first purpose built container ships were built in the 1960s there has been a steady increase in ship size as the following chart indicates, and also recently in wider beam and more fuel efficient ships.

The Evolution of Container Vessel Size



Source: Drewry

It is possible that the increase in container vessel size will continue and some ports with 8 meter drafts alongside can handle ships larger than 20,000 TEU. Indeed, there are plans circulating for ships of 24,000 TEU, but at this size, there would be very few routes and ports which could accommodate vessels of this size.

Types of Owner

Containerships are owned by two types of shipowners, (i) liner companies, who own and operate their own and chartered-in ships, and (ii) independent non-operating owners, who do not operate ships, but instead charter them out to liner companies. Approximately 50% of the fleet is owned by liner companies and 50% by independent non-operating owners. Chartering in tonnage affords the liner companies a degree of flexibility to adjust shipping capacity to market conditions.

Historically, to ensure the best chances of securing and renewing charter contracts with the liners/carriers and finding customers, non-operating owners have tended to invest in the most standard sizes or types of containerships and have mainly stayed away from investing in route-specific ships or in the very largest ships, unless backed by any long-term employment contracts with major shipping lines. Non-operating owners have also tended to own a higher proportion of small and average size containerships, whereas liner companies have tended to own a higher proportion of above-average size containerships. More recently, some non-operating owners have focused on ordering small numbers of wide beam and new design ships which are more sought after by the liner companies and can attract a premium in the charter market.

Within the container shipping industry there has been much discussion about consolidation following the sale of CSAV to Hapag Lloyd's and CCNI to Hamburg Sud in 2014. One assumption was that these sales would stimulate another round of mergers and acquisitions. Consolidation has been a frequent topic of discussion in the container sector in the last two decades and whilst mergers and acquisitions have taken place the pace of such activity has often been slower than anticipated. For the moment it appears that the major lines are focused on strengthening operational alliances within the main east-west trades and the same can be expected to happen with regard to north-south routes.

Global Alliances

Alliances are generally 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. Often the alliance will implement a best ship policy, whereby members pool vessel resources to deploy the best appropriately-sized ships in the same service.

Some alliances are more formalized than others and in some cases liners still negotiate their own individual terminal deals with ports. However, the core aim is to maximize the usage of the largest vessel assets between a group of carriers and to maximize port coverage for shipper clients.

There are four main operational alliances among the major carriers and for the moment these are geared towards the main east-west trade lanes. The Ocean Three and 2M alliances started operations in January 2015. The four main operational alliances are:

- **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. During 2014, the lines increased their overall agreement to include the Transatlantic and Asia-USWC Transpacific trades.

- **CKYHE or Green Alliance**—This alliance comprises of Cosco, K Line, Yang Ming and Hanjin. At present, these lines have agreements on the Asia-North Europe, Mediterranean and Transpacific trades. In February 2014, Evergreen joined the alliance and is initially formalizing service changes on the Asia-North Europe, Mediterranean trades and Transpacific lanes. For the moment, this only relates to east-west trade lanes and was officially launched in January 2015 by Maersk and MSC.

- **Ocean Three**—CMA CGM joined forces with UASC and CSCL in January 2015, the three lines started running joint services in the East-West trade lanes. UASC is also about to enter the transatlantic trade for the first time

While these are official alliances, there are also other forms of operational cooperation agreements, such as vessel sharing agreements, slot swap or exchange agreements and slot charter agreements and also other less-binding operational cooperation frameworks between individual liner companies which are not commonly known by an industry title or name. As such, being a partner in one of the four main alliances does not preclude a line entering into agreements on other trades with members of other alliances. For example, many carriers work with other liner companies in the intra-Asian market for example and agree to operate a service together, each liner company providing a certain number of ships. Other loose operational agreements are also prevalent in the Asia to East and West Coast South America lanes.

One notable agreement was signed by Hamburg Sud and UASC in late 2014 whereby the German operator has bought weekly slots on UASC's east-west trade lanes and the Dubai domiciled company has access to a number of weekly slots in the trades to and from Latin America. This is a way in which lines can increase their global coverage without having to deploy assets or charter new ships. Both Hamburg Sud and UASC may eventually deploy their own

ships as part of these new agreements. It is conceivable that more of these operational agreements and alliances will be formed in the future.

Another recent development within the alliances is the trend to coordinate new ordering between alliance members on order to spread capital investment. Two recent examples include within Ocean Three, CSCL ordering five 18-19,000 TEU vessels, with UASC ordering another six vessels of the same size to make one Asia-North Europe route; and within the G6 alliance, MOL recently ordering four 20,000 TEU ships and OOCL ordering 20,000 TEU vessels to make up another loop.

The Containership Fleet

As of April 30, 2015, the world fleet of fully cellular containerships consisted of 5,119 ships, totaling 18.42 million TEU in capacity. These figures exclude multi-purpose and ro-ro ships with container carrying capability.

World Cellular Containership Fleet by Size April 30, 2015

Type	Size (TEU)	April 2015		% of Total	
		No	000 TEU	No.	TEU
Feeder	<1,000	1,062	655	20.7	3.6
Handysize	1,000-1,999	1,224	1,722	23.9	9.3
Intermediate	2,000-2,999	641	1,627	12.5	8.8
Panamax	3,000-4,999	908	3,758	17.7	20.4
Post-Panamax	5,000-7,999	617	3,694	12.1	20.1
Large	8,000-9,999	403	3,491	7.9	19.0
Very Large	10,000-13,999	199	2,451	3.9	13.3
Super Large	14,000-17,999	46	671	0.9	3.6
Ultra Large	18,000+	19	351	0.4	1.9
Total		**5,119**	**18,420**	**100.0**	**100.0**

Source: Drewry

The fleet has grown rapidly to meet the increases in trade, with capacity rising from 6.5 million TEU at the end of 2003 to 18.42 million TEU in April 2015. In tandem with the growth in capacity of the overall fleet, average ship capacity has also steadily increased. The average size of containerships in service was 3,598 TEU as of April 2015, compared with 1,590 TEU in 1997. Average ship size is expected to continue to increase due to the number of large-sized containerships on order.

Since 2011, both liner companies and independent owners have invested heavily in the 5,000 TEU to 11,000 TEU wide beam newbuilding market. These ships can be used for many trade lanes, due to economies of scale in terms of size, while their wide beam and energy efficient designs lower slot costs. Many of them are deployed in Latin American trades due to their high reefer intake design, and some in the Asia-Mediterranean and Asia-West African trades. In time, older 8,000 TEU vessels will also be replaced by newbuildings' which have more efficient engine designs.

The wide-beam feature of the specific vessel segment offers a range of advantages over conventional ships of the same size including:

- The ability to service a greater number of ports due to their reduced length.
- Enhanced vessel stability, which accounts for greater cargo carrying capacity and economies of scale and which can lead to up to 15% more loaded containers.
- More fuel-efficient design which lowers costs. Fuel efficient vessels can be 30%-40% more economical per container carried.

The attraction of these ships is clear for the market, but the deployment in certain emerging routes has affected the supply/demand balance (which in turn has seriously eroded prevailing freight rates during the last two years, particularly to/from the Latin America market). The decision to order these ships is therefore mainly with a view to realize economies of scale and fuel cost savings. A large number of ships in the 8,000-10,000 TEU size range have been ordered since 2010 and the vast majority of these have been of wide beam design and many with a high reefer intake, again targeted at the Latin American trades. In 2015, there are approximately 60 ships of this size due for delivery.

Containership Orderbook

As of April 30, 2015, the global containership newbuilding orderbook in terms of TEU was 3.27 million TEU, equivalent to 17.7% of the existing cellular containership fleet, which is low when compared to 2007-2008, when the

orderbook reached 60% of the existing fleet, and below the average for the sector over the last decade. However, the orderbook is mainly comprised of ships with capacity exceeding 10,000 TEU, which account for 59% of the overall orderbook in TEU terms. The orders placed to date for the largest containerships are all with the major operators and these vessels are delivered the operators concerned are likely to capture increased market share.

At the other end of the spectrum, there are fewer new orders for below 3,000 TEU ships, as the capacity of feeder ships is increasing and ships of 3,000 to 5,000 TEU are now providing feeder and transshipment services to the largest ships working the main East-West routes. However, very recently, there has been increased interest in the sub-3,000 TEU sector.

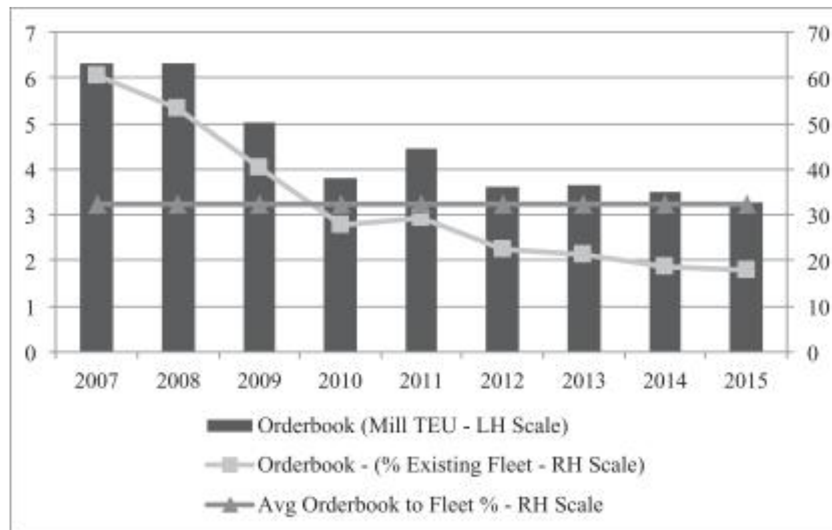
Containership Orderbook Delivery Schedule, April 30, 2015

Vessel Size	Scheduled Year of Delivery								All Ships on Order		% of Orderbook
	2015		2016		2017		2018+				
TEU	No	000 TEU	No	000 TEU	No	000 TEU	No	000 TEU	No	Total TEU	by TEU
<1,000	4	3	1	1	0	0	0	0	5	4	0.6%
1,000-1,999	30	45	39	60	9	13	0	0	78	118	6.9%
2,000-2,999	34	79	39	93	8	21	0	0	81	193	11.9%
3,000-4,999	15	60	4	16	0	0	2	7	21	83	2.2%
5,000-7,999	12	67	5	25	4	20	0	0	21	112	3.0%
8,000-9,999	61	557	26	239	2	19	0	0	89	815	23.3%
10,000-13,999	15	171	18	186	0	0	5	69	38	426	17.4%
14,000-17,999	22	339	19	270	11	156	3	43	55	808	120.4%
18,000-20,000	17	319	8	153	2	38	11	198	38	708	201.7%
Totals	**210**	**1,640**	**159**	**1,043**	**36**	**267**	**21**	**317**	**426**	**3,267**	**17.7%**

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 core East-West trades encouraged high levels of new ordering. The combination of deliveries, orderbook cancellations and conversions has 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 totaling 1.5 million TEU.

The Containership Orderbook—Ratio to Existing Fleet



Source: Drewry

New ordering in the container sector in 2012 declined and amounted to just 0.42 million TEU. However in 2013, there was another surge in new ordering with approximately 1.7 million TEU ordered. In 2014, this declined to a total of just over one million TEU. Since the beginning of 2015, interest in ships of over 18,000 TEU has increased with 29 ships of this size ordered from South Korean and Japanese yards. These ships will exclusively be deployed on the Asia-N Europe trade with a key driver being that each of the four alliance groupings is able to compete with each other.

Some of the large containerships on order will be able to transit the enlarged Panama Canal, including ships with capacity of up to 13,500 TEU. However, the largest containerships currently on order (20,000 TEU) are not expected to be able to transit the enlarged waterway and have primarily been designed towards deployment in the Asia-Europe trade.

Deliveries & Slippage

The majority of the containerships on order are scheduled to be delivered in the remainder of 2015, 2016 and 2017, but based on past evidence it cannot be assumed that these ships will be delivered on time. Historically, slippage rates were typically less than 10%, but in the period from 2008 to 2014, slippage rates rose significantly due to a number of reasons:

- In the most recent new ordering spree, which peaked in early 2008, shipowners were often quoted unrealistic delivery times by some of the less experienced and newly emerging shipyards.
- Financing was not in place for all of the ships on order, and even today some owners are finding it difficult to secure adequate funding for newbuildings.
- Orders were placed at "greenfield" shipyards, some of which could not secure funding to finance yard development. A greenfield yard is a shipyard with no prior experience in building ships for international account.
- The economic and financial crisis and the steep decline in shipping markets since 2009 has forced some orderbook cancellations.

Demolition

Demolition activity has risen since the beginning of 2012. This has been driven by operators' desire to utilize the most fuel efficient tonnage, as many older container ships 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 dry docking required once a vessel reaches fifteen years of age, some owners have decided to realize residual values, by scrapping the older sections of their fleet. This is likely to be a continuing trend for the industry, especially as older Panamax ships will increasingly become redundant once the widened Panama Canal is opened in early 2016. More recently, some older Panamaxes have been deployed in both intra-Asia services and the route between Asia and West Africa.

In 2013, 429,000 TEU was scrapped and a further 380,000 TEU was removed in 2014. Two important trends have emerged with regard to demolition. The first is that the average age of container ships scrapped is falling; and the second is that the average size of the ships scrapped is increasing. In 2014, the average age of ships scrapped ranged from a low of 20.9 years for ships between 1,500-2,000 TEU and a high of 29.2 years for ships less than 500TEU, with the overall

average being close to 23 years. This compares with 29-30 years, which has been the average over the last decade. In the same period the average size of ship being sent for demolition increased from 1,500 to 2,356 TEU in 2014.

Idle Tonnage

At any point in time, a proportion of the fleet can be idle or inactive. The volume of idle capacity will vary depending on wider market conditions, with the most recent peak being reached in 2009 when containership supply and demand were out of line by a large margin. The volume of idle tonnage has since declined and in 2014 did not exceed 3-4% of the total fleet. A large part of the current idle fleet consists of small (sub-4,000 TEU) and older ships. For the last 6-9 months, the idle fleet has rarely crept above 2% of the total fleet and one major reason for this has been the additional tonnage sought by lines to cater for port congestion on the USWC and in Asia.

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 had (given where bunker price is currently at) 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. Since October 2014, with the sharp decline in oil prices, there has been some industry debate about the cost savings associated with slow steaming but it is now extremely unlikely that major carriers will reverse their strategy of slow steaming.

The Impact of Larger Ships and Cascading

The ordering of 12,000 plus TEU ships has naturally raised questions of how cargo will be moved in the future, in particular the impact on the traditional hub/spoke feeder model and level of transshipment. In this respect, it seems likely that as far as the main East-West trades are concerned, the liner companies will continue to deploy 10,000+ TEU ships on the Asia-Europe trades and bigger ships of 9,000-10,000 TEU on the Asia-U.S. West Coast trade and from 2016 onwards with the Panama Canal extension on the Asia-U.S. East Coast trade.

Essentially this is a hub and spoke model with the big ships calling at 3-4 hub ports in Asia and 3-4 in Europe. Smaller feeder ships will carry cargo from outlying areas such as Indonesia, Philippines and Japan to Asian hub ports and from hub ports in Northern Europe and the Mediterranean to Eastern Europe and Russia. However, it is clear that the trend will be for feeder ships to get bigger.

Ships below 10,000 TEU will therefore tend to move away from the Asia-North Europe route and are likely to find employment in trading in Transpacific and other North-South routes as part of the ongoing global cascading process. The liners are deploying the largest ships they can on all major East-West and North-South trades in order to exercise competitive advantage and to enjoy economies of scale. In theory, the deployment of the larger ships will result in lower slot costs. Hence, all ships of Post-Panamax size and above are attractive to carriers and this is why the larger sized tonnage open for trading in the charter market enjoyed improved daily rates in 2014.

So far, carriers have not positioned too many ships of 4,500 TEU and above in the huge intra-Asian trade lane and many regional operators firmly believe there is still a place for the smaller ships. But in the last year we have tracked

more ships of 4,000 TEU trading within intra-Asia but the most recent trends suggests that there will not be a continued influx of larger ships into this route. In recent months, carriers have also upgraded the size of ships working in the Asia to West Africa trade and this route is acting as a slight relief valve for older gearless Panamax tonnage. There are a number of North-South trade lanes where ships of over 8,000 TEU are now trading, including Asia-WCSA and Asia and Europe-ECSA. There are, however, some natural limits to the cascading process For example, the Panama Canal until early 2016 and in parts of West Africa, Asia and Latin America where due to physical infrastructure restraints, liner companies have invested in and continue to invest in shallow draught and wide beam ships.

Supply-Demand Balance

After two weak years, demand on the head haul East-West routes was robust in 2014 and this was reflected in improved utilization rates, which for the year as a whole averaged just over 92%. The key driver of this improvement was the strength of the markets from Asia to North Europe and North America.

East-West Trades Head-haul Supply/Demand Balance and Utilization Factors 2012-2014

	Total Capacity '000 TEU	yoy % change	qtr on qtr % change	Total Demand '000 TEU	yoy % change	qtr on qtr % change	Supply/ Demand Gap (% points)	Utilisation	Slot/TEU	TEU/Slot
2012	36,08			30,91				85.7	1.	0.
2013	36,11	0.1		32,03	3.6		-3.	88.7	1.	0.
2014	37,20	3.0		34,28	7.0		-4.	92.2	1.	0.
4Q13	8,95		n.a.	7,94		n.a.		88.7	1.	0.
1Q14	8,86		-1.0	7,89		-0.5	-0.	89.1	1.	0.
2Q14	9,40		6.0	8,82		11.7	-5.	93.9	1.	0.
3Q14	9,57		1.8	9,13		3.5	-1.	95.5	1.	1.
4Q14	9,36		-2.2	8,42		-7.8	5.	90.0	1.	0.

Notes: Capacity and demand is annualised for full year and quarterly figure per quarter; trade routes include Asia- N Europe, Asia-Med, transpacific and N Europe-N America; some capacity figures for 2013/2014 are slightly different to Table 4.9 since they are calculated on aggregate monthly rather than quarterly data.

Source: Drewry

However, North-South routes did not perform as well in 2014 and overall head haul load factors were below 70% on some routes. As such, global utilization for the entire container fleet in 2014 was just over 88%, as indicated by the data in the table below.

Global Head-haul Supply/Demand Balance and Utilization Factors, 2012-14

	Demand '000 Teu	yoy % change	qtr on qtr % change	Capacity '000 Teu	yoy % change	qtr on qtr % change	Utilisation %	Supply/ Demand Gap (% points)
2012	35,570	n.a.		43,501	n.a.		81.8 %	
2013	37,040	4.1 %		43,297	-0.5 %		85.5 %	-4.6 %
2014	39,391	6.3 %		44,660	3.1 %		88.2 %	-3.2 %
4Q13	9,259		n.a.	10,818		n.a.	85.6 %	
1Q14	9,059		-2.2 %	10,651		-1.5 %	85.1 %	0.6 %
2Q14	10,068		11.1 %	11,261		5.7 %	89.4 %	-5.4 %
3Q14	10,500		4.3 %	11,488		2.0 %	91.4 %	-2.3 %

	Demand '000 Teu	yoy % change	qtr on qtr % change	Capacity '000 Teu	yoy % change	qtr on qtr % change	Utilisation %	Supply/ Demand Gap (% points)
4Q14	9,765		-7.0%	11,260		-2.0%	86.7%	5.0%

Note: Capacity and demand is annualised for full year and quarterly figure per quarter; trades include Europe-ECSA, Asia-ECSA, Asia-West Africa, N Asia-Australasia, Asia-N Europe, Asia-Med, Transpacific, N Europe-N America.

Source: Drewry

A number of trade routes at any given time may be operating under the fundamentals of a healthy supply/demand balance and under these conditions industry load factors will be high, which normally equates to strong freight rates. However, some trade routes may be adversely affected by either low cargo growth or high supply-side pressure, either due to the delivery of newbuild vessels or as the result of the vessel cascading. In these circumstances the major carriers actively trading in the north-south, east-west and intra-regional trade lanes and with a more diversified portfolio of services, will be better equipped to cope with any downturn in individual trade lanes.

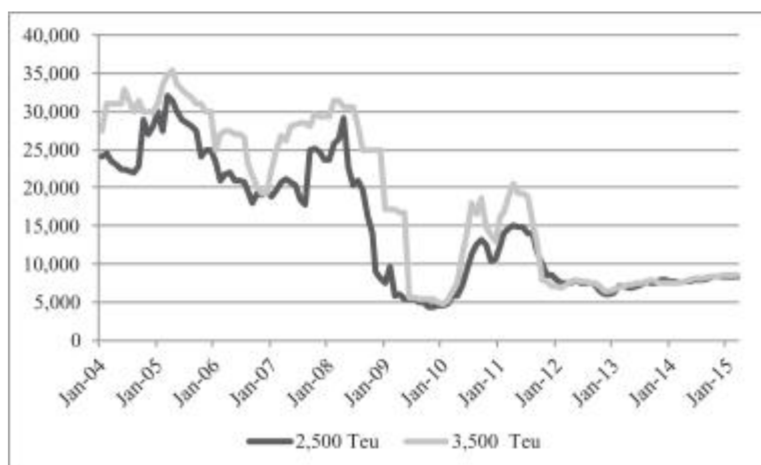
Containership Time Charter Rates

Ship ownership in the container sector is divided in fairly equal proportions between (i) liner companies, who own and operate their own and chartered-in ships, and (ii) independent non-operating owners, who do not operate ships, but instead charter them out to liner companies. So the major charterers in the container sector are the liner companies who charter-in ships from independent owners to supplement their owned fleets.

The main factors affecting charter rates are primarily supply and demand for container shipping. The shorter the charter period, the greater the charter rate is affected by the current supply/demand balance and by the current phase of the market cycle. For longer charter periods, from three years to ten years, charter rates tend to be more stable and less cyclical. Other factors affecting charter rates include the age and characteristics of the ships (including fuel consumption, speed, new design, whether geared or gearless), and supply demand dynamics.

The demand growth for container shipping has generally increased demand pressure and over time has caused an increase in time charter rates. The following chart indicates annual average charter rates for representative containerships from 2004 to April 2015.

One Year Containership Charter Rates, 2004 to 2015
(Period averages US $/Day)



Source: Drewry

With some exceptions, charter rates for all vessel sizes increased steadily from 2002 until 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 due to the re-stocking of inventories after the sharp contraction in container trade in 2009. However, they subsequently fell again in the first half of 2012 as increases in supply once again outpaced the changes in demand, due to economic recession in Europe and elsewhere. In January 2013, charter rates were close to the all-time low witnessed in 2009, and as such, below long term averages. Throughout most of 2013 the charter market made no noticeable recovery across most size segments, other than the 5,000 TEU+ category which depicted material improvement. However, in the final quarter of the year rates were a little stronger. In 2014, the charter market was slightly stronger, but the majority of ships under 5,000

TEU were unable to command rates above $10,000 per day. There is therefore evidence of a two-tier market since newer designs with shallow draught, fuel saving specifications, high reefer intake or wide beam design will certainly command a premium over older ships.

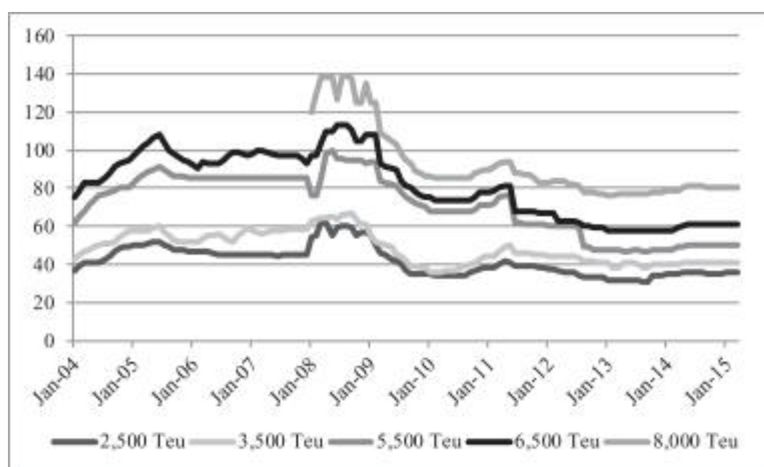
There is a relatively small critical mass of new wide beam ships in the market and few orders in the 4,500-5,500 TEU range have been placed in the last 18 months. However, ships of this size that have come into the market since late 2013 have commanded a premium over traditional designs. In April 2015, daily hire rates of $20,000 for one year charters and $22,000/day for five year charters are significantly higher than rates of $12-14,000/day for older traditional designs of the same size. A small number of 1,700 TEU wide beams have also entered the market in the last year and daily rates have been about $1-2,000 per day higher than for older units. However, with the cost of fuel halving since September 2014, the competitive advantage of the new wide beam eco designs may be reduced, although the fixtures reported in recent months do not suggest that this is the case.

Containership Newbuilding Prices

The factors which influence newbuilding 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.

Newbuilding prices rose steadily from 2002, due to a shortage in newbuilding capacity during a period of high ordering and increased shipbuilders' costs as a result of rising steel prices. 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 segments and this weakness continued into 2013, as shipyards were forced to cut prices. Towards the end of 2013, however, there was some evidence suggesting that the price drop had levelled out. In 2014, prices improved slightly although this was mainly a result of better performance in other shipping sectors meaning that overall berth coverage has improved for the main Asian yards. Few yards have any open slots left for 2016 delivery for container ships. So far in 2015 some yards have been fairly aggressive with their pricing and the weakness of the bulk sector again means deals at the right price can be made.

Containership Newbuilding Prices, 2004 to 2015
(Average by Year US$ Millions)



Source: Drewry

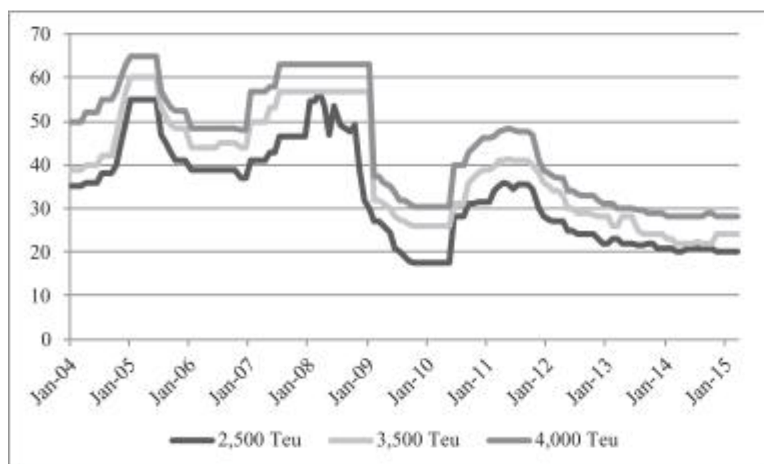
Containership Secondhand Prices

Values for younger ships tend to fluctuate on a percentage, if not on a nominal, basis less than values for older ships. This is attributed to the finite life of ships which makes the price of younger ships with a commensurably longer remaining economic life less susceptible to the level of prevailing and expected charter rates, while prices of older ships are influenced more since their remaining economic life is limited.

Ships are usually sold through specialized brokers who report transactions to the maritime transportation industry on a regular basis. The sale and purchase market for ships is usually quite transparent and liquid, with a number of ships changing hands on an annual basis. A large part of the interest in secondhand container ships arises from companies wishing to speculate in short-term or spot market type opportunities, which is in contrast to newbuildings, where the interest is often of a longer term nature.

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 over-capacity in container shipping. Prices recovered partly during 2010 and 2011 as charter rates returned closer to average historical levels, but in 2012 they weakened once again in the face of much softer charter rates. In mid-2013, prices for 2,500 and 3,500 TEU ships were approximately 50% below prices at the end of 2007. In 2014, secondhand values for most container vessels were below average values in 2013 and values in the opening months of 2015 have remained broadly flat.

Containership Secondhand Prices, 2004 to 2015
(5-Year-Old Ships; End Period US$ Millions)



Source: Drewry

Costs and Profitability

Since 2011, a primary focus of liner companies worldwide has been to reduce costs in a business environment of falling freight rates, fast-changing ship designs and slim profit margins. The figures in the table below indicate that they have had some success in this respect and operating margins have shown a marked improvement since 2012.

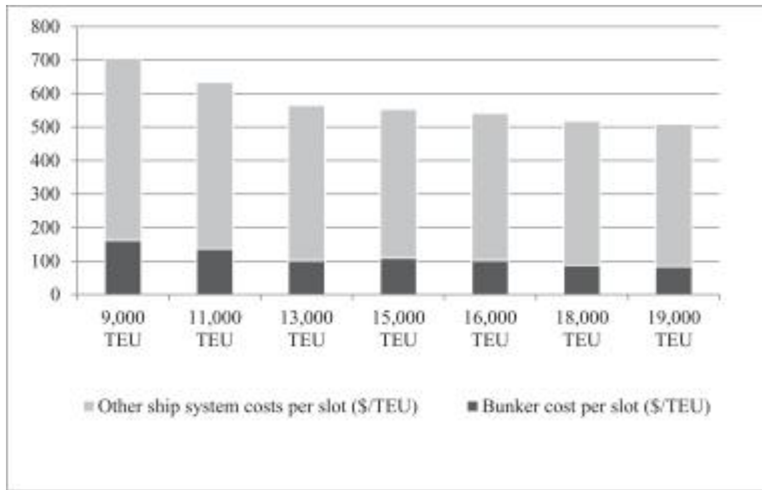
Development of Average Industry Revenue, Cost and Operating Profit per TEU

Year	Revenue per TEU (US$)	% Change	Operating Cost per TEU (US$)	% Change	EBIT Margin per TEU (US$)
2011	1,189	-10%	1,229	4%	-39
2012	1,257	6%	1,251	2%	5
2013	1,179	-6%	1,163	-7%	16
2014	1,163	-2%	1,131	-3%	32

Source: Drewry

One of the main ways liner companies have been able to reduce costs is by deploying larger, more economical containerships, not only on the high-volume east-west trades, but also on the north-south routes. In this respect the bunker fuel cost per TEU for a new 19,000 TEU new-generation containership is estimated to be about 50% lower than the equivalent costs for an older 9,000 TEU ship operating on the same route. Total costs per TEU (including non-fuel costs) are also more competitive for the larger than the smaller ships, as shown in the chart below.

Unit Costs Asia-North Europe Route
(US$/TEU—April 2015)

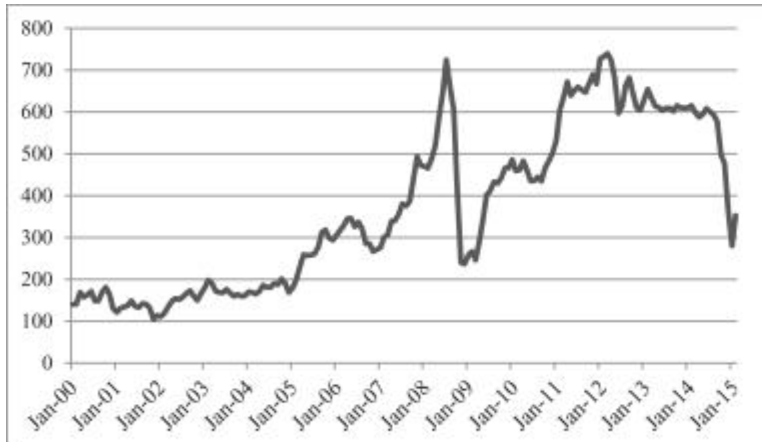


Source: Drewry

From a competitive point of view, it is essential for the liner companies to deploy large, economical ships, in order to position themselves at the low end of the cost curve. Because economies of scale are reached only when the ships are highly utilized, it is also essential for the liner companies to adopt policies such as joint operational alliances, which aim to combine services, volumes and attain higher levels of ship utilization. Overall, liner companies that have been unwilling or unable to invest in the larger containerships required for certain routes have been forced to exit these routes.

With regard to costs, bunkers account for approximately 40-50% of ship-related costs of carriers and for about 20-25% of total container transport costs (including inland transport and cargo handling). Bunker costs are inherently volatile (see chart below), due to both market and geo-political changes, which liner companies cannot predict.

Development of Marine Bunker Fuel Prices
(US$/Ton—IFO 380 cst—Singapore)



Source: Drewry

Otherwise, the main cost mitigation policies are slow-steaming (which reduces fuel consumption per voyage), the use of bunker adjustment factors (variable pass-through surcharges invoiced to customers), the use of more fuel-efficient ships and fuel hedging. Although fuel prices have dropped dramatically since mid-2014, they have more recently trended up again and medium-term increases in fuel prices cannot be excluded. For the moment however, the decline in bunker prices has helped to boost overall industry profitability.

Another area affecting costs is the terminal interface, as the top liner companies have access to owned or part-owned container terminals around the world. Indeed, the top five liner companies alone own or control 121 terminals worldwide (see table below). While some carriers consider terminals to be a stand-alone business, others have taken advantage of synergies between container shipping and container terminals; this has been particularly the case for transhipment terminals, for which ownership secures favorable, well-timed slots which enable a more efficient use of vessels and faster connections. However, it is worth noting that in the last few years, the trend towards terminal ownership by liner companies has slowed down and a number of liner companies have sold part of their shareholdings in terminals.

Terminals Owned or Part-Owned by Container Carriers

Carrier	Number of Owned/Part-Owned Terminals	Main Owned/Part-Owned Transhipment Terminals
Maersk-APM Terminals	57	Tanjung Pelepas, Colombo, Salalah, Bremerhaven, Gioia Tauro, Algeciras, Tanger Med
MSC-TIL	28	Singapore, Las Palmas, Valencia, Freeport
CMA CGM/Terminal Link/CMA Terminals	22	Marsaxlokk, Le Havre, Tangers Med,
Evergreen	13	Colombo, Taranto, Colon
Hapag-Lloyd	1	Hamburg
Total	**121**	

Source: Drewry

Historically, providers of container shipping services have been divided between port-to-port transport providers and door-to-door transport providers. A few liner companies have a true door-to-door service capability, as this requires more complex rail connections and inland operations and increased risk. Nevertheless, efficient inland rail container transport connections (in the U.S. in particular) are a clear differentiator among shippers between top-tier and low-tier liner companies. Other shippers either organize their own inland transport and port-door transport, or they outsource it to freight forwarders and other non-asset-based logistics service providers. Aside from door-to-door transport, there is no strong evidence that liner companies have been successful in adding value by offering logistics services to shippers, as they have generally not been able to replicate the services of non-asset-based logistics service providers.

BUSINESS

Overview

Our Company

We are one of the leading and most profitable providers, based on Core EBIT, 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 141 main lines and 73 feeder lines, calling at 386 ports in 133 countries as of March 31, 2015, with the support of 166 shipping agencies operating through more than 655 offices worldwide.

As of March 31, 2015, we operated a fleet of 465 container ships with a total capacity of 1.769 million TEU and a weighted average age, based on total TEU, of 7.7 years, of which we chartered 386 and owned 79. As of March 31, 2015, we maintained a 2.56 million TEU fleet of containers, of which we leased approximately 83% and owned the remainder. As of March 31, 2015, the book value of our owned containers was $532.9 million. The market value of our owned vessels is assessed every six months by calculating the average of three independent ship brokers' valuation and was $3,806.2 million as of December 31, 2014.

We transported over 12.5 million TEU in the twelve months ended March 31, 2015 on behalf of a globally diversified base of more than 100,000 customers, of which approximately 1,500 shipped more than 1,000 TEU in 2014. We generated revenues of $16.8 billion and a Core EBIT of $1,193.6 million for the twelve months ended March 31, 2015. Our EBITDA for the twelve months ended March 31, 2015 is $1,519.8 million. Our available cash position as of March 31, 2015 was $1,904.4 million (net of overdrafts). Our customer base includes such names as Adidas, Danone, General Motors, Honda, Ikea, Michelin and Renault. These customers are part of a list of 50 strategic customers who have carried volumes with the group representing a total of 2.2 million TEUs and approximately 18% of our overall volumes in 2014.

Our size and our leading market position enable us to take advantage of economies of scale. The scale of our operations, together with the flexibility of our fleet and effective management of cascading of our operated tonnage across all trade lanes, enables us to efficiently deploy optimized tonnage on most of our routes, resulting in a significant cost-saving.

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 the Company, via subsidiaries such as ANL Singapore, Cheng Lie Navigation and MacAndrews or under our Delmas brand. Our 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 13 ports across the country, supported by our own shipping agency network of 60 offices.

Our extensive network is further supported by strategic alliances with other carriers, which allow us to extend the scope of our services while reducing our cost base. These alliances include our Ocean 3 agreement with CSG and UASC covering the Asia-Northern Europe trade, the Asia-Mediterranean trade and Transpacific trades. We have also recently announced agreements with Hamburg Süd and Hapag Lloyd on Asia and Europe to South American trades and with Maersk on Asia-Africa trades.

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 trade accounting for more than 10% 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 connection to our shipping lines, and to capture additional profitability in the logistical chain, 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 28 terminals around the world, 23 of which are in operation and five in development, through our two dedicated subsidiaries, CMA Terminals (100% owned by the Company) and Terminal Link (51% owned by the Company). These terminals are located in Miami, Houston and Long Beach in the United States Le Havre, Dunkirk, Nantes and Marseilles/Fos in France, Antwerp and Zeebrugge in Belgium, Rotterdam in the Netherlands, Malta, Tangier and Casablanca in Morocco and Odessa in Ukraine. We also have interests in Pusan (South Korea), Xiamen (China), Cai

Mep (Vietnam), Mundra (India), Umn Qsar (Iraq), Lattakia (Syria) as well as in Martinique, Guadeloupe and French Guyana (French West Indies), Kingston (Jamaica), Lekki (Nigeria) and Abidjan (Ivory Coast). In April 2015, the Company signed a 30-year concession agreement with the government of Jamaica for the management of Kingston Container Terminal. Situated in close vicinity of Panama, with 2,400 meters of key length and a 102 hectare yard this terminal will allow us to manage from this terminal all of our transshipment operations between Asia, South America, North America and Europe.

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 465 vessels as of March 31, 2015. We believe that the stability of our efficient, hands-on management team, combined with our streamlined organization, enables us to make decisions rapidly and efficiently, allowing us to take early advantage of market opportunities and generate superior profitability when compared to our peers. From January 1, 2011 to March 31, 2015, we achieved compound annual growth rates on volumes transported of 7.1%, derived primarily through organic growth.

For the period beginning January 1, 2011 and ending March 31, 2015, our volumes transported and related operational metrics have grown as indicated in the following table:

	2011	2012	2013	2014	CAGR[(1)]	Three months ended March 31, 2014	Three months ended March 31, 2015
Volumes transported (TEU thousands)	10,016	10,603	11,305	12,224	6.9%	2,801.6	3,094.5
Total fleet capacity (TEU thousands)[(2)]	1,345	1,446	1,556	1,649	7.0%	1,561	1,769
Container vessels operated (number of units)	394	414	428	446	4.3%	429	465
Container fleet (TEU thousands)	2,101	2,155	2,243	2,489	5.8%	2,293	2,558
Average revenue per TEU (in $)	1,484.6	1,501.8	1,406.6	1,369.4	—	1,406.7	1,296.8

(1) Compound annual growth rate between January 1, 2011 and December 31, 2014.
(2) Controlled capacity, including vessels chartered out to third parties.

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 141 main lines and 73 feeder lines and calling at 386 ports in 133 countries as of March 31, 2015. Our operations are supported by an extensive global network of 166 shipping agencies operating through more than 655 strategically-located and locally-staffed offices worldwide, including, for example, our Chinese shipping agency, which we established in 1996 and which today operates through 60 offices. We own or have a majority stake in 111 of our shipping agencies, which accounted for approximately 96% of our volumes transported in 2014. 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 that 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 controlled fleet capacity of 1.769 million TEU as of March 31, 2015 (including vessels chartered out to third parties), we are the third largest provider of container shipping services 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 balanced portfolio in line with our strong market position in the Asia-Europe market, with a market share of 11.6% in terms of volume in 2014. In addition, we had a 20.9% market share on the Europe-to-Indian Subcontinent-Middle East trade, a 19.9% market share on the Asia-Africa trade, a 16.1% market share on the Europe-South American trade and a 7.9% market share on the Transpacific trade, in each case in terms of volume in 2014. Our volumes grew by 8.1% in 2014, compared to an industry average of 5.3%. As a result of being a large, globally diversified operator with a culture fostering responsiveness, we have generally tended to outpace industry growth.

We believe that there is a natural tendency for main stream shippers to choose large operators who can provide the range and scope of connections, with enough carrying capacity to accommodate their volumes on each connection. In addition, we endeavor to be as opportunistic as possible on spot possibilities such as those offered by Asia US East Coast in the second part of 2014, with the diversion of part of the Asia US West Coast cargo. No single trade represents more than 10% of our annual volumes transported. We believe that our geographic diversification and our leading market positions help protect us from regional fluctuations in demand and freight rates as the various markets remain uncorrelated to each other most of the time, reflecting regional balance-supply dynamics.

Optimal size and efficient cost base allowing for superior profitability. We believe that our size enables us to take advantage of economies of scale. The scale of our operations, together with the flexibility of our fleet and effective management of our operated tonnage across all trade lanes, enables us to efficiently deploy optimized tonnage on most of our routes. 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. 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 further improve the efficiency and capacity of our services beyond the lines which are the direct beneficiaries of the new replacement ships. Optimizing tonnage is a key advantage as unit costs can differ significantly depending on the size of the vessel deployed along the same route. For example, the unit cost for the Asia to Europe route is on average 24% lower when a 17,700 TEU-vessel is deployed as opposed to a 11,400 TEU vessel. Our size also strengthens our bargaining power when negotiating the terms of our contracts for operational and capital expenditures, financings, and any negotiations with respect to rebates and discounts with various terminals. Similarly, as a result of our strength of bargaining power, we have been able to negotiate with certain vessel charter companies to arrange for a switch to more efficient bulbous bow shapes, enabling us to benefit from lower bunker consumption.

Since 2011, we have also 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. We have also been active in creating alliances on most of our main trades in order to optimize slot costs, including with CSG and UASC on Asia-Europe and Asia-USA, with Maersk on Asia-Africa, and with Hamburg Süd and Hapag Lloyd on Asia and Europe to South America. These various measures have enabled us to reduce our unit costs and lower our breakeven level, therefore supporting our profitability, despite the volatile market conditions of the industry.

As part of our efficiency initiatives, we have also set up a single ship operating center operating a 24 hour service and staffed by a team of experienced officers that oversee our entire fleet of 465 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.

Our efficiency initiatives, and specific cost cutting programs, have helped us consistently outperform industry-average EBIT margins by 2.4% to 8.9% on a quarterly basis since the first quarter of 2012, an average of 6.6% per quarter during this time period. Our reduced cost base has also contributed significantly to an increase in our profitability in 2012, 2013, 2014 and the three months ended March 31, 2015. Although our total volumes transported in the three months ended March 31, 2015 were approximately 10.5% higher than in the three months ended March 31, 2014, our operating expenses were approximately 4.1% lower, which is reflective of a combination of our continued efforts to effectively manage and significantly reduce our operating expenses and reduced bunker fuel prices.

Being able to efficiently deploy optimized tonnage and achieve a lower cost base, coupled with the ability to react quickly and flexibly, and having in place the proper commercial tools and IT systems means that, across the industry, larger liners are more profitable than smaller players.

Flexible fleet with balanced ownership policy. As of March 31, 2015, we operated a fleet of 465 ships, with capacity ranging from 120 TEU to 17,554 TEU, of which we owned 79, chartered 41 with a remaining lease term ranging between one and five years, chartered 51 with a remaining lease term of more than five years and chartered 294 with a remaining lease term of less than one year outstanding, with total fleet capacity of 1.769 million TEU. In terms of size, our fleet currently consists of 69 ships of more than 7,000 TEU (of which 32 ships of more than 10,000 TEU), representing 726,116 TEU or 41.0% of our fleet capacity, 189 ships ranging between 2,500 and 6,999 TEU, representing 774,065 TEU or 43.7% of our fleet capacity, and 207 ships of less than 2,500 TEU, representing 269,076 TEU or 15.2% 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 of our vessels, particularly our new technologically advanced vessels with lower fuel consumption, in accordance with demand. In addition, our use of short-term vessel charter agreements allows us to align our cost structure with our projected demand more quickly. The share of total chartering costs as a percentage of our total revenue was 11.3% as of March 31, 2015 for a chartered fleet of 386 vessels while it stood at 10.8% as at end of March 2014 for a fleet of 349 vessels.

Diversified and loyal customer base founded on dedicated commercial services and strong reputation. In 2014, we had over 100,000 customers, of which more than 1,500 had shipped more than 1,000 TEU to date. Our customer portfolio is highly diversified by both geography and industry sector and is generally balanced between direct shippers (who collectively represent approximately 40% of our customers), such as Adidas, Danone, General Motors, Honda,

Ikea, Michelin and Renault, and leading freight forwarders (who collectively represent approximately 60% of our customers), such as DHL, Kühne & Nagel and Schenker. During the twelve months ended December 31, 2014, our top 20 customers by volume (including our subsidiary CMA CGM Logistics) accounted for approximately 16.1% of our total volumes transported, and we had no customer that accounted for more than 2.7% 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 "International Carrier of the Year" by ASDA in February 2015 and "Carrier of the Year" by DHL in December 2014. We have been successful in acquiring and retaining key account customers. For example, our top 20 customers in 2005 all remained significant customers in 2014. We have also had success in growing our customer base, winning business from major brands including BP, Coca Cola, Procter & Gamble, Scania, Schneider Electric and Sarada in recent years. 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.

Adequate capital structure with significant cash position and balanced financial strategy. We have access to diversified sources of financings including bond markets, secured and unsecured asset financing as well as long-term leases provided by a wide range of suppliers including international and regional banks, financial institutions, governmental agencies, shipyards and various lessors. At the same time, we have built strong and confident relationships with a group of core banks that allow the group to optimize its financings. All of our debt financing arrangements benefit from a covenant package well suited to the industry's volatility, based on minimum available cash and gearing ratio, rather than leverage or coverage ratios. In 2014, we were able to consolidate our strong liquidity position through our operations, which have generated net cash from operating activities of $1.1 billion, compared to $984.5 million in 2012 and $984.0 million in 2013, and reduce our net debt. Our available cash position as of March 31, 2015 was $1.9 billion (net of overdrafts), and our gearing ratio (as defined in our financing arrangements) was 0.46. Previously, in 2013, we also significantly strengthened our capital structure by disposing of certain 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. In January 2013, Yildirim and BPI subscribed for $100.0 million and $150.0 million, respectively, of ORA, in addition to the $500.0 million of ORA subscribed by Yildirim in January 2011.

Experienced management team and entrepreneurial culture. 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 18,000 full-time equivalent employees, including 4,171 in France, as of December 31, 2014. Mr. Jacques R. Saadé and his son, Rodolphe Saadé, who was appointed vice-chairman in 2014, are 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 operational 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.

As part of our entrepreneurial corporate culture, led by our senior management, we endeavor to take advantage of opportunities sooner than most of our competitors. We believe that our ability to react quickly represents a significant strategic advantage over our competitors. Our ability to react quickly can be illustrated by the number of services and lines which we create or cancel or restructure in a given year. See "*—Our Strategy— Further improve our long-term profitability—Network optimization.*" The structure of our fleet, relying for a significant part on chartered tonnage under short duration, allows us to quickly release vessels which become irrelevant as a result of insufficient capacity in growing markets or as a result of excess capacity in troubled trades.

Our Strategy

Our key strategic objectives are as follows:

Further improve our long-term profitability. One of our main objectives is to increase the profitability of our operations, while continuing to enhance our financial strength. We are currently one of the top tier operators in terms of profitability and have been so for the past five years. We are continuing to work to advance this objective, including in the following ways:

- ***Network optimization.*** We constantly reassess the profitability of our network of lines and react nimbly to either close or open or restructure our network to meet changing requirements. For example, in 2014, we launched four new main lines and seven feeder lines and at the same time we closed two main lines and one feeder line. In parallel, we also take actions to restructure existing lines by introducing larger capacity when filling factors are high in order to be in a position to reduce slot costs, as well as to reorganize line rotation or choice of port of calls to maximize the efficiency of our services.

- ***Vessels retrofit.*** We are pursuing a significant retrofitting program, modifying our larger vessels to fit them with specially shaped bulbous bows to reduce drag as well as with specially shaped propellers, which reduce bunker consumption in the range of speed we currently operate and so reducing our operating costs. We believe that the use of bulbous bows and specially shaped propellers throughout our fleet, in conjunction with widespread use of slow steaming, will contribute to further significant reductions in our fuel costs. Based on tests we have conducted so far on ships of the same class, as a result of our retrofitting program, we have been able to reduce bunker consumption by 8.2% on a weighted average for the retrofitted vessels. This reduction is in addition to the reduction in bunker consumption already achieved by slowing down the ships.

- ***Additional Cost Reduction Initiatives.*** Cost savings are a key part of our strategy. Two years ago, we started to transfer most of our agencies' back-office functions, such as accounting, billing and export documentation, to dedicated shared service centers in India and China to reduce operating expenses. By the end of 2015, we expect to have approximately 2,000 employees in our shared service center in India, allowing us to further reduce our back-office 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 to 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 in the medium term. Implementation and deployment should occur in phases starting in 2017 and 2019. We expect that the implementation of these and other cost-reduction initiatives will continue to help us improve our profitability.

Be opportunistic in increasing revenue from higher growth areas and niche markets and increase revenue diversification across complementary services. We believe that our substantial expertise, extensive network and track record of quickly identifying and seizing upon opportunities in high growth and niche markets allow us to leverage our position in such markets. We intend to actively pursue opportunities on trades that are exhibiting significant growth, such as (i) Asia-US East Coast, where growth was initially related to US West Coast congestion but where we believe some of the volumes will remain in anticipation of the widening of the Panama Canal, (ii) Transatlantic imports, which are benefitting from the strength of the US dollar, and (iii) in high-growth markets on North-South trades.

According to the Drewry Container Forecaster report for the three months ended March 31, 2015, volumes between Asia and U.S. East Coast grew by as much as 13.4% in the fourth quarter of 2014. We took advantage of this growth to introduce additional sailings on top of our regular departures which combined with the growth of the size of our fleet on Asia U.S. West Coast enabled us to increase our market share from 5.7% for the year ended December 31, 2014 to 6.8% during the three months ended March 31, 2015 and to improve our ranking on the trade from number six in 2014 to number four during the three months ended March 31, 2015. On the U.S. West Coast trade, volumes grew by 8.4% in 2014 over 2013. We used this opportunity to increase the size of some of our ships from 3,500 TEU to 4,200 TEU, thus improving slot cost and profitability. According to the Drewry Container Forecaster report for the three months ended March 31, 2015, the container shipping industry is estimated to grow at an annual rate of 4.8% in 2015 and 5.0% in the first three quarters of 2016. We are also concentrating on opportunities such as reefer markets, which still benefit from the conversion of conventional reefer transport to containerized transport and provide better profitability than dry markets. 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 March 31, 2015, we operated 195,840 TEU of reefer containers, representing 8% of our total container fleet. Our strategy in the reefer market is to identify very specific trades such as fruit and vegetables from Spain, citrus from Morocco or grapes from India and provide shippers with logistics solutions including the introduction of ad-hoc container services.

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. 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 and better manage our fleet of containers. 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 and further diversify our sources of revenue.

Improve operational efficiency. We intend to maintain our efforts to improve operational efficiency throughout our network by increasing our transport solutions on land and at sea. In order to consolidate our expertise in specialized cargo, we have developed a fully dedicated team located both in Europe and in Asia whose main task is to identify and propose solutions for 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. In November 2013, we 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.

Maintain a balanced financial policy. Bearing in mind the volatility of freight revenue as well as bunker fuel prices which still represents a high proportion of our costs (20.9% in 2014), our primary focus over recent years has been on improving our balance sheet profile and liquidity position while continuing to invest in strategic assets to further improve our long-term profitability and growth perspectives. As an example of our prudent approach to our financial policy, most of our current orderbook has been financed on the balance sheet of the shipyards to which we pay a long term bareboat charter rate. In such schemes our cash output is generally minimal (approximately 5% of the vessel's price). Similarly, we have also reduced our share of owned containers in our overall fleet (16.8% as of March 31, 2015 while it stood at 22.4% as of December 31, 2012 and 37.0% in December 31, 2010), as we consider that rental costs for containers are currently extremely low and ownership of containers does not bring any improvement in profitability. Given our current balance sheet profile and liquidity position, we believe it is appropriate to consider a more balanced approach to our financial policy, which would allow for focused investments in strategic assets to further improve our growth perspectives.

Consolidate our position through internal growth and selective acquisitions. As part of our long-term strategy, 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 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. We may also continue to grow through selective strategic acquisitions, which may vary in size and may be significant in scope in relation to our current operations. While our main objective is to continue to increase profitability of our operations, ahead of other considerations of growth or market share, where we see profitable opportunities, we expect to grow our business to realize them. Our key evaluation criteria for any acquisition proposal will include strategic fit, financial attractiveness and manageable execution risks, while maintaining a balanced financial policy.

History

CMA (*Compagnie Maritime d'Affrètement*), one of our predecessor companies, was founded in 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 base in Marseilles. Subsequently, CMA 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 acquired CGM S.A., a state-owned French operator. The two companies contributed complementary routes to the newly-formed CMA CGM, as CMA 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, 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, 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 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, BPI subscribed for $150.0 million aggregate principal amount of ORA, corresponding to a 6.0% stake in the Company upon conversion in December 2020.

In July 2014, the Company signed a development agreement with Adani Ports and Special Economic Zone for the development and joint ownership of a new container terminal in Mundra, India, which once completed will make Mundra India's largest container port.

On September 9, 2014, the Company signed a major partnership with CSG and UASC, creating the "Ocean 3 alliance", covering the Asia-Europe/Mediterranean and Transpacific Trades. The new alliance encompasses 192 vessels, 20 shipping services and 175 weekly stopovers in 87 ports. Relevant regulatory approvals were subsequently obtained, allowing a quick start of operations in January 2015.

In November 2014, the Company, via its subsidiary MacAndrews, announced the acquisition of the German carrier OPDR (subject to the approval of the relevant competition authorities). This new acquisition is intended to reinforce the presence of the Group in the intra-European short sea market and create new synergies with MacAndrews (acquired by the Company in 2002).

On April 8, 2015, the Company announced that it had signed an agreement with the Port Authority of Jamaica granting the group the concession of Kingston Container Terminal for 30 years. Once the extension of the terminal is complete, Kingston Container Terminal will increase its annual capacity up to 3.6 million TEU containers. The Company already uses Kingston as a transshipment hub in the area, and its presence in this area will be reinforced upon completion of the extended terminal. Located at the entrance of the Panama canal, for which an extension is expected to be completed in 2016, at the crossroad of the North South and East West lines, the new terminal will offer a deeper draught where larger vessels will be accommodated.

In April 2015, the Company announced that it took a strategic stake in the 25-year old company LCL Logistix, one of India's logistics leaders, via the group's subsidiary specializing in freight forwarding and logistics solutions, CMA CGM Logistics. This strategic stake reinforces the position of CMA CGM Logistics in India and will allow us to leverage LCL Logistix's Indian network as well as its presence in Canada, the United States and East Africa to accelerate its development. With this acquisition, CMA CGM Logistics expands both its product offering and its geographic coverage, including in emerging countries where logistics solutions demand is high.

On May 11, 2015, the Company announced that it had entered into an agreement with the Cuban company Almacenes Universales S.A., to operate a logistics hub at the Cuban port of Mariel. Under the agreement, CMA CGM Logistics, the group's subsidiary dedicated to logistics, will contribute to the operation of a new 4,600 hectare logistics area called the Zona Especial de Desarrollo Mariel (Mariel ZEDM).

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 operate our container shipping services through a variety of different lines. 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. We were pioneers in implementing this "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.

Each of our lines represents a particular offering of regularly scheduled ports of call and sailing times, dates and frequencies. 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 March 31, 2015.

	LINES	OUR SHIPS[i]	SLOT SWAP[ii]	SLOT PURCHASE[iii]
Feeders	73	59	3	11
Mothers	141	86	38	17
TOTAL	214	145	41	28
ROUTES				
ASIA-AUSTRALIA	6	5		1
ASIA-AUSTRALIA-NEW ZEELAND	1	1		
ASIA-CARIBBEAN	1	1		
ASIA-INDIAN OCEAN-EAST AFRICA	2	2		
ASIA-MAURITIUS-SOUTH AFRICA	1			1
ASIA-MEDITERRANEAN	5	3	2	
ASIA-MIDDLE EAST GULF	6	2	1	3
ASIA-NORTH EUROPE	10	2	8	
ASIA-OCEANIA	1	1		
ASIA-PANAMA-USEC	1	1		
ASIA-RED SEA	2	1	1	
ASIA-RUSSIA	1	1		
ASIA-SOUTH AFRICA-SOUTH AMERICA EC	3	3		
ASIA-SOUTH AFRICA-WEST AFRICA	2	2		
ASIA-USEC	2	1	1	
ASIA-USWC	4	3	1	
ASIA-WEST AFRICA	3		3	
ASIA- CENTRAL & SOUTH AMERICA WC	2	2		
AUSTRALIA-NEW ZEALAND-CHINA	1	1		
AUSTRALIA-PANAMA-USEC	1			1
CARIBBEAN-GUYANAS	1	1		
CARIBBEAN-NORTH BRAZIL	1	1		
SOUTH AMERICA EC-CARIBBEAN	1	1		
EAST MED-BLACK SEA	1	1		
EUROPE-INDIA-PAKISTAN	1	1		
FRENCH ATLANTIC COAST	1	1		
INDIA-MIDDLE EAST GULF-EAST AFRICA	1	1		
INDIA-MIDDLE EAST GULF-INDIAN OCEAN	1	1		
INDIA-MIDDLE EAST GULF-WEST AFRICA	1	1		
INDIA-PAKISTAN-MEDITERRANEAN	1	1		
INTRA AFRICA	4	3		1
INTRA CARIBBEAN SEA	5	5		
INTRA ULF	7	6	1	
INTRA MEDITERRANEAN	12	11		1

	LINES	OUR SHIPS[i]	SLOT SWAP[ii]	SLOT PURCHASE[iii]
INTRA NORTH EUROPE	18	15		3
INTRA-ASIA	50	23	21	6
INTRA-INDIAN OCEAN	1	1		
INTRA-OCEANIA	2	2		
MALTA-GREECE-TURKEY	1	1		
MALTA-NORTH AFRICA	1	1		
MARSEILLES-NORTH AFRICA	4	4		
MED-WAF	1			1
MEDITERRANEAN SEA-CARIBBEAN SEA	1	1		
MEDITERRANEAN-NORTH AFRICA	1	1		
MEDITERRANEAN-US GULF	1		1	
MEDITERRANEAN-USEC	1	1		
MIDDLE EAST-GULF-EAST MED	1	1		
NORTH EUROPE-ASIA-OCEANIA	1	1		
NORTH EUROPE-CANADA	1	1		
NORTH EUROPE-CARIBBEAN SEA	1			1
NORTH EUROPE-CARIBBEAN-CENTRAL AMERICA	1	1		
NORTH EUROPE-EAST COAST SOUTH AMERICA	3	1		2
NORTH EUROPE-FRENCH WEST INDIES	1	1		
NORTH EUROPE-MALTA-MOROCCO-EAST MED	1	1		
NORTH EUROPE-MOROCCO	2	2		
NORTH EUROPE-RUSSIA	1	1		
NORTH EUROPE-USEC	1	1		
NORTH EUROPE-USEC-MEXICO	1	1		
NORTH EUROPE-WEST AFRICA	2	1	1	
NORTH EUROPE-WEST COAST SOUTH AMERICA	2	2		
PORTUGAL-ANGOLA	1	1		
ROUND THE WORLD	1	1		
SOUTH AMERICA EAST COAST-WEST AFRICA	1	1		
TANGIERS-ALGERIA	1	1		
TANGIERS-MOROCCO	1	1		
TANGIERS-WEST AFRICA	3	2		1
TUNIS-TANGIERS-MED-MALTA	1	1		
U.S. GULF-MEXICO-JAMAICA-SOUTH AMERICA	1	1		
USEC-CARIBBEAN SEA	1	1		
USEC-CARIBBEAN-WEST COAST SOUTH AMERICA	1			1
USEC-INDIA-PAKISTAN-EST MED	1	1		
WEST AFRICA-NORTH EUROPE	1			1
WEST COAST CENTRAL AMERICA FEEDERING	2			2
WEST COASTS CENTRAL & SOUTH AMERICA	1	1		
WEST MEDITERRANEAN- SOUTH AMERICA EC	1			1
WEST MED-MOROCCO	2	1		1
TOTAL	214	145	41	28

i Our operations on these lines are exclusively through our ships.
ii Our operations on these lines are on ships operated by other carriers through slot swap arrangements.
iii 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 2012, 2013, 2014 and for the three months ended March 31, 2014 and March 31, 2015.

Market	Volume per market (in TEU) 2012	2013	2014	Three Months ended March 31, 2014	Three Months ended March 31, 2015
Asia-Europe	3,583,849	3,725,500	4,066,385	921,852	1,017,029
Transpacific	1,654,724	1,911,262	2,036,534	556,902	570,768
Australasia	386,177	365,156	438,952	95,781	120,108
Transatlantic	355,748	394,645	444,269	18,931	63,672
Latin America & Caribbean	1,510,784	1,680,289	1,843,053	431,611	440,473
Africa	1,626,030	1,613,988	1,705,092	385,501	457,321
Other Lines	1,485,741	1,613,923	1,689,411	391,037	425,180
Total	**10,603,052**	**11,304,763**	**12,223,696**	**2,801,615**	**3,094,551**

Our hubs and feeder lines. Our hub-and-feeder system includes 73 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 minimal transit times.

The following tables provide certain information about our primary and secondary hubs and the feeder lines that support them, as of March 31, 2015:

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	LE HAVRE-WEST COST UK-IRELAND SOUTHAMPTON-WEST COST UK-IRELAND ROTTERDAM-UK EAST COST HAMBURG-FINLAND HAMBURG-GDYNIA HAMBURG-POLAND-KLAPEIDA HAMBURG-POLAND-RIGA HAMBURG-POLAND-KALININGRAD HAMBURG-DANISH ROTTERDAM-NORWAY-SWEDEN LE HAVRE-SPAIN ROTTERDAM-SPAIN (VIGO) ROTTERDAM-SPAIN (BILBAO-GIJON) ROTTERDAM-DUNKIRK-PORTUGAL FRENCH ATLANTIC COAST SPAIN-UK WC SPAIN SOUTH UK UK-SPAIN-BALTIC UK-POLAND
MIDDLE EAST	KHOR FAKKAN-JEBEL ALI-DAMMAM-JUBAIL KHOR FAKKAN -IRAQ KHOR FAKKAN-JEBEL ALI-KUWAIT KHOR FAKKAN-SOHAR -JEBEL ALI-DOHA KHOR FAKKAN-MUNDRA-NAVA SHEVA KHOR FAKKAN-JEBEL ALI-KARACHI JEDDAH-AQABA
MEDITERRANEAN	MALTA-ADRIATIC MALTA-ITALIA-SICILY MALTA-LEGHORN-CIVITAVECCHIA BEIRUT-NORDMED BEIRUT-LEVANT MALTA-NORDMED MALTA-LEVANT EGYPT SHUTTLE DAMIETTA-LEVANT MALTA-TURKEY-BULGARIA-UKRAINE-GEORGIA-ROMANIA CONSTANZA-NOVOROSSIYSK CONSTANZA-TAGENROG-MARIUPOL
ASIA	MALAYSIA-KOLKATA-HALDIA MALAYSIA-CHITTAGONG-CAMBODIA-THAILAND MALAYSIA-CHITTAGONG COLOMBO-TUTICORIN MALAYSIA-INDONESIA MALAYSIA-JAKARTA

			PUSAN-JAPAN MALAYSIA-SINGAPORE-MYANMAR MALAYSIA-THAILAND MALAYSIA-VIETNAM TAIWAN-CHINA AUSTRALIA-NEW ZEALAND
CARIBBEAN	KINGSTON-CUBA KINGSTON-HISPANIOLA CENTRAL AMERICA WC CARIBBEAN-GUYANAS LEEWARDS ISLANDS JAMAICA-PORTO RICO-WILLEMSTAD CARIBBEAN-NORTH BRAZIL GUADELOUPE-MARTINIQUE-TRINIDAD & TOBAGO-GRENADA -ST. LUCIA-ST. VINCENT	AFRICA	DOUALA-COTONOU-LOME INDIAN OCEAN COASTAL WEST AFRICA COASTAL MOZAMBIQUE-DURBAN MALTA-NORTH AFRICA TANGIERS-ALGERIA TANGIERS-MOROCCO TUNIS-TANGIERS-MALTA

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 UASC, CSG, Maersk, MSC, Hapag-Lloyd, Hamburg Süd, Evergreen and Emirates. These cooperation agreements allow us to enhance service on the applicable lines, maintain our flexibility, reduce costs associated with establishing new lines while preserving 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.

Ocean 3 alliance with UASC and CSG. We recently announced the implementation of a major alliance with UASC and CSG on three major trades for 2015, called Ocean 3. The Ocean 3 alliance operates 192 vessels on 20 fixed-day weekly loops on three major trade lanes, Asia-North Europe, Asia-Mediterranean and Transpacific, for a total capacity of 1.74 million TEU, of which we account for 47.6%. The Ocean 3 alliance provides our customers with an increased number of weekly sailings, comprising 10 fixed-day weekly services on the Asia-Northern Europe trade, five fixed-day weekly services on the Asia-Mediterranean trade and eight fixed-day weekly services on the Transpacific trade (including U.S. east coast). With the Ocean 3 alliance the Company is able to offer its customers 103 direct ports of call. Our participation in the Ocean 3 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. Under the Ocean 3 alliance, we and the other participants continue to market our shipping services and to serve our customers independently. We also continue to own or charter, and operate the vessels that we deploy under the Ocean 3 alliance.

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 78,691 TEU by rail and 98,361 TEU by barge in 2014, and 18,781 TEU by rail and 23,206 TEU by barge in the three months ended March 31, 2015.

Operations

Vessel Fleet

As of March 31, 2015, we operated 465 container vessels, of which we owned 79 or 30.7% of our fleet by capacity, chartered 41 or 17.9% of our fleet by capacity, with a remaining charter duration of more than five years, chartered 22 or 5.3% of our fleet by capacity, with a remaining charter duration ranging between one and five years and chartered 323 or 46.1% of our fleet by capacity, with a remaining charter duration of less than one year. Our entire fleet had a combined capacity of 1.769 million TEU as of March 31, 2015. The weighted average age of the vessels in our fleet was 7.7 years (based on total TEU) as of March 31, 2015. 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 March 31, 2015:

Vessel Name	TEU	Year Built	Current Financing
CMA CGM KERGUELEN	17,554	2015	Bank Debt
CMA CGM ALEXANDER VON HUMBOLDT	16,022	2013	Capital Lease
CMA CGM JULES VERNE	16,022	2013	Capital Lease
CMA CGM MARCO POLO	16,022	2012	Capital Lease
CMA CGM AMERIGO VESPUCCI	13,830	2009	Capital Lease
CMA CGM CHRISTOPHE COLOMB	13,830	2009	Capital Lease
CMA CGM CORTE REAL	13,830	2010	Bank Debt
CMA CGM LAPEROUSE	13,830	2009	Capital Lease
CMA CGM MAGELLAN	13,830	2010	Bank Debt
CMA CGM ANDROMEDA	11,388	2008	Bank Debt
CMA CGM AQUILA	11,388	2009	Bank Debt
CMA CGM CALLISTO	11,388	2010	Bank Debt
CMA CGM CASSIOPEIA	11,388	2009	Bank Debt
CMA CGM CENTAURUS	11,388	2010	Bank Debt
CMA CGM COLUMBA	11,388	2010	Bank Debt
CMA CGM GEMINI	11,388	2011	Bank Debt
CMA CGM LEO	11,388	2010	Bank Debt
CMA CGM LIBRA	11,388	2010	Bank Debt
CMA CGM LYRA	11,388	2011	Bank Debt
CMA CGM PEGASUS	11,388	2010	Bank Debt
CMA CGM TITAN	11,388	2009	Bank Debt
CMA CGM HYDRA	11,040	2009	Bank Debt
CMA CGM MUSCA	11,040	2009	Bank Debt
CMA CGM FIDELIO	9,415	2006	Bank Debt
CMA CGM MEDEA	9,415	2006	Bank Debt
CMA CGM NORMA	9,415	2006	Bank Debt
CMA CGM RIGOLETTO	9,415	2006	Bank Debt
CMA CGM LA TRAVIATA	8,488	2006	Bank Debt
CMA CGM NABUCCO	8,488	2006	Bank Debt
CMA CGM OTELLO	8,488	2005	Bank Debt
CMA CGM TOSCA	8,488	2005	Bank Debt
CMA CGM VIVALDI	8,478	2004	No Debt
CMA CGM ALMAVIVA	8,469	2010	Capital Lease

Vessel Name	TEU	Year Built	Current Financing
CMA CGM CENDRILLON	8,469	2009	Bank Debt
CMA CGM DALILA	8,469	2010	Capital Lease
CMA CGM FIGARO	8,469	2010	Capital Lease
CMA CGM LA SCALA	8,469	2010	Capital Lease
CMA CGM TITUS	8 469	2010	Capital Lease
CMA CGM LAMARTINE	6,574	2010	Capital Lease
CMA CGM MAUPASSANT	6,574	2010	Capital Lease
CMA CGM BELLINI	5,782	2004	Capital Lease
CMA CGM CHOPIN	5,782	2004	No Debt
CMA CGM MOZART	5,782	2004	No Debt
CMA CGM PUCCINI	5,782	2004	No Debt
CMA CGM ROSSINI	5,782	2004	No Debt
CMA CGM FLORIDA	5,095	2007	Securization Financing
CMA CGM GEORGIA	5,095	2008	Securization Financing
CMA CGM NEW JERSEY	5,095	2008	Securization Financing
CMA CGM SWORDFISH	5,095	2007	Securization Financing
CMA CGM TARPON	5,095	2007	Securization Financing
CMA CGM VIRGINIA	5,095	2008	Securization Financing
CMA CGM AMBER	4,404	2008	Securization Financing
CMA CGM CORAL	4,404	2008	Securization Financing
CMA CGM EIFFEL	4,404	2002	Capital Lease
CMA CGM PUGET	4,404	2002	No Debt
CMA CGM FORT ST GEORGES	2,260	2003	No Debt
CMA CGM FORT ST LOUIS	2,260	2003	No Debt
CMA CGM FORT ST PIERRE	2,260	2003	No Debt
CMA CGM FORT STE MARIE	2,260	2003	No Debt
NICOLAS DELMAS	2,207	2002	Capital Lease
CMA CGM KAILAS	1,854	2006	Capital Lease
CMA CGM IMPALA	1,730	1996	No Debt
CMA CGM OKAPI	1,730	2000	No Debt
CMA CGM ARISTOTE	1,713	2007	Securization Financing
CMA CGM HERODOTE	1,713	2007	Securization Financing
CMA CGM HOMERE	1,713	2007	Securization Financing
CMA CGM PLATON	1,713	2007	Securization Financing
ELISA DELMAS	1,641	2002	No Debt
FLORA DELMAS	1,641	2002	No Debt
NALA DELMAS	1,641	2002	No Debt
SAINT ROCH	1,253	1980	No Debt
KUO CHANG	1,195	1998	No Debt
KUO CHIA	1,195	1998	No Debt
KUO WEI	1,195	1997	No Debt
CMA CGM SIMBA	1,048	1994	No Debt
DELMAS SWALA	1,048	1993	No Debt
MOROTAI	642	1996	No Debt
OUED ZIZ	505	1998	No Debt
CAP CAMARAT	347	1987	No Debt
AKNOUL	164	1993	No Debt

Current Orderbook

Purchases

We currently have the following vessels under order:

- On March 31, 2015, we took delivery of the CMA CGM Kerguelen, the first of a set of three 17,500 TEU owned vessels, from Korean yards. The ship was immediately deployed on our Asia North Europe lines and is now one of the two largest vessels of our fleet. On June 2, 2015 we took delivery of the CMA CGM Georg Forster, the second 17,500 TEU vessel in the series. We have placed an order and expect to take delivery of a third 17,500 TEU vessel in August 2015. In connection with the delivery of the CMA CGM Georg Forster, the last instalment of $90.9 million, which was covered by committed financing, was paid directly to the

shipyard by the financing institution. We are committed to pay a further $91.1 million at the delivery of the third 17,500 TEU vessel in August 2015, for which we have obtained committed financing of $86.5 million from our lenders. See "*Description of Certain Financing Arrangements—Significant Ship Mortgaged Loan Financings—Financing of Three 17,500-TEU Vessels.*"

- We are also committed to take delivery of three Guyana Max 2,100 TEU vessels for a total consideration of $111.3 million, of which we have already paid an aggregate amount of $90.0 million.
- We have also ordered three Ice Class 2,500 TEU vessels for a total consideration of $115.6 million. We will take delivery of them in August, September and October of 2016. As of March 31, 2015, we had paid $15.0 million to the yard and we have committed post delivery financing for $66.4 million (which may be increased up to $76.6 million, subject to certain conditions and approval by Sinosure). See "*Description of Certain Financing Arrangements—Significant Ship Mortgaged Loan Financings—Financing of Three 2,500-TEU Ice-Class Vessels.*"
- We recently ordered three 20,600 TEU vessels from Hanjin yard which will be delivered in October 2017. Upon delivery in 2017, those vessels will be deployed on Asia-Europe lines, contributing to further reductions in unit costs. A first installment of $84.3 million has been paid to the yard. The total amount of the consideration is $438.7 million of which we expect that $308.5 million will be funded by lenders.

Further to the letter of intent recently signed to place an order for six 14,000 TEU vessels, we confirmed such order on May 29, 2015 by signing six shipbuilding contracts for 14,000 TEU vessels for consideration of $111.7 million each per vessel (subject to certain adjustments). The current expectation is to take delivery of the first two vessels in December 2016, with the remaining vessels to be delivered between February 2017 and June 2017. As of March 31, 2015, the Company had not made any payment to the shipyard and there are no financing arrangements currently in place. We currently expect that three of these six vessels will be owned by the Company and likely financed through mortgage loans or equivalent financing, with the three remaining vessels being operated by the Company via long-term bareboat chartering arrangements.

New Chartered Tonnage

We are also committed to receive the following new chartered tonnage.

- We have ordered ten 9,400 TEU to 10,600 TEU ships from Chinese yards through China International Marine Containers (Group) Co. Limited from DSIC and NTS. Nine have already been delivered and the one remaining is slated to be delivered during the second quarter of 2015. They all have charter durations of 12 years.
- We have ordered three 17,500 TEU ships, which will be delivered during the second half of 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 (six ships) and 2016 (one ship) and will have charter durations of 12 years extendable to 17 years at our option.
- We have ordered six 10,900 TEU ships from CIC Jiangsu, which are slated to be delivered in 2016 and will 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. 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 March 31, 2015 and the size and capacity of our owned and long-term chartered vessel fleet that we plan to have by December 31, 2016 as a result of our existing ship acquisition program and charter plans as set out above:

	Container vessel fleet as of March 31, 2015		Target container vessel fleet as of December 31, 2016[(2)]	
	Ships	TEU	Ships	TEU
Owned	79	543,104	87	592,904
Long-term chartered[(1)]	47	340,878	64	538,430
Total owned and long-term chartered	126	883,982	151	1,131,334

(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 2016 and consists of three 18,000 TEU, three 2,500 TEU and three 2,100 TEU owned ships and one 9,365 TEU, two 17,859 TEU, six 10,892 TEU and seven 9,894 TEU long-term chartered ships.

Container Fleet

As of March 31, 2015, we operated an owned and leased container fleet of 2.56 million TEU (of which 195,844 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	718,409
40-foot	1,795,972
45-foot	44,083
Total	**2,558,464**

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 March 31, 2015, 83% of our container capacity, or approximately 2.13 million TEU, was obtained through operating leases. We owned the remaining 17% of our container capacity, corresponding to approximately 429 800 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.

Shipping Agencies

Our operations are supported by a network of 166 shipping agencies worldwide with more than 655 offices. We own or have a majority stake in 111 of these shipping agencies, which accounted for approximately 96% of the carried volumes in 2014. 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 111 as of December 31, 2014.

Shared Service Centers

We consolidate certain back-office functions, such as accounting, billing and export documentation at shared service centers in India and China to reduce operating expenses. As of December 31, 2014, 1,919 of our employees worked at these centers.

Terminal Investments

Terminal Link

Terminal Link, one of our majority-owned subsidiaries, 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 $89.1 million as of June 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 Terminals. CMA Terminals is present in Marseilles (France), Lattakia (Syria), Umm Qsar (Iraq), Odessa (Ukraine), Long Beach (United States), Rotterdam (the Netherlands), Cai Mep (Vietnam), Mundra (India) Abidjan (Ivory Coast), Lekki (Nigeria) and has historically directly owned and operated terminals in Guadeloupe and Martinique (French Antilles) and French Guyana.

On April 7, 2015, CMA CGM signed a concession agreement of 30 years with the Port Authority of Jamaica to operate the Kingston Container Terminal. The scope of the concession is to operate and maintain the existing facilities, design, build, finance, operate and maintain its expansion and transfer it back to the Port Authority of Jamaica at the end.

The first phase of the expansion will result in an increase of the capacity of 0.4 million TEU to reach 3.2 million TEU within five years. Related capital expenditure amounts to $404.0 million, the financing of which will be based on a debt/equity ratio of 60/40 expected to be paid over 12 years at an expected interest rate of 7.2%.

This first phase of work will be ready in the first quarter of 2017, only few months after the opening of the new Panama canal.

The second phase of the expansion will result in a new capacity of 3.6 million TEU for a total amount of capital expenditures of $200.0 million.

Investment in Charter Company

We own 20.469.650 of the Class A common shares of GSL, a company that charters vessels to us. We also own 3,943,050 Class B common shares. GSL repurchased from the Company the Series A preferred shares of GSL which were previously held by us for a purchase price of $36.4 million. As of March 31, 2015, GSL's fleet consisted of 19 containerships with an aggregate capacity of 82,423 TEU, a weighted average age of approximately 11.2 years and a non-weighted average age of 12.7 years. 15 of these vessels are currently on charter to us, all of them on long-term leases with remaining average lease terms of 5.2 years, ranging from 2.7 to 10.7 years, and the undiscounted lease payments payable by us to GSL for such vessels amounted to $777.6 million as of March 31, 2015. The other four vessels owned by GSL are leased to either Sea Consortium or OOCL. GSL is listed on the New York Stock Exchange and, as of March 31, 2015, had a total market capitalization of approximately $257 million. The carrying amount of our investment in GSL (*i.e.*, our share in GSL's net assets) as of March 31, 2015 was $201.8 million. GSL has outsourced all ship management services to one of our subsidiaries, except for the two vessels chartered out to OOCL which are managed by Anglo Eastern.

GSL has agreed to appoint two nominees of the Company to the board of directors of GSL. We intend to review our 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 of directors of GSL, price levels of its securities, other investment opportunities available to us, market conditions, financial position of the Company and general economic and industry conditions), we may take such actions with respect to our investments in GSL as we deem 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.

Our top ten freight forwarder customers, such as for example DHL, Kühne & Nagel, Schenker and our subsidiary CMA CGM Logistics, accounted for approximately 10.9% of our volume during the twelve months ended March 31, 2015. 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 5% of ocean freight.

We carry a diverse range of goods for many different types of customers. We had over 100,000 customers in 2014, including 48 companies we consider key customers, such as, General Motors, Michelin, Renault, Adidas, Danone, Honda and Ikea. In 2014, the percentage of volumes carried for our top 20 customers (including our subsidiary CMA CGM Logisitics) represented 16.1% of total volumes carried and we had no customer that accounted for more than 2.7% 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 April 1, 2015, the world's top 20 carriers controlled approximately 86.8% of global container capacity and the top five carriers controlled over 47.7% 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 9.0% as of April 1, 2015.

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, the Ocean 3 alliance. 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 our 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 as listed from time to time in the Joint War Committee JWLA/021—Hull War, Piracy, Terrorism and Related Perils—Listed Areas. 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 vessels of our 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;
- cover for our logistics subsidiaries;
- cargo handling cover in certain ports;
- property damage and business interruption worldwide insurance program;
- CMA CGM UK Head Office property damage insurance policy;
- general liability insurance program including but not limited to:
  - public and product liability;
  - ship agent liability; and
  - freight forwarding liability;
- cover for all our moveable equipment;
- repatriation cover for our crew and expatriates;
- chassis road liability cover for our operations in the United States;
- inland environment cover;
- political violence insurance policy; and
- crime insurance policy.

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.

By June 1, 2015, we expect to put in place a cyber insurance policy that provides both third party liability and first party insurance coverage with respect to security information incidents such as data loss, unauthorized access, computer viruses, malware, malicious code, cyber-attack, system failures and disruptions or other cyber risks that could have security consequences.

Information Systems and Logistical Processes

Our information systems and logistical processes are key operational and management assets that 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 98.0% of our volume are deployed with LARA.

- OCEAN/LOAD/SAGE. Through Group Centralized Accounting Network, or OCEAN and SAGE, our systems 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 March 31, 2015, 88.4% of our worldwide volumes is managed by those systems.

- 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 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 this new system is expected to be implemented in phases from 2017 through to 2019. Implementation of the new system entails substantial expenditures over the 2014 to 2019 period. 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, 2012, 2013 and 2014:

	As of December 31,		
	2012	**2013**	**2014**
France[(1)]	3,859	3,952	4,171
Rest of Europe	2,491	2,554	2,761
Asia Oceania	4,439	5,621	6,241
Americas	1,822	1,805	1,863
Middle East & Africa	3,181	2,517	3,019
Total	**15,792**	**16,447**	**18,056**

(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 650 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 an 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 was 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.

Certain operations are carried out at our office located in Le Havre, France, where we own a building totaling approximately 8,940 square meters.

As of March 31, 2015, we operated 111 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. The European Commission and CMA CGM are currently exploring the possibility of putting an end to the procedure by way of commitments under article 9 of Regulation 1/2003. The negotiations are currently under way. If the European Commission accepts these commitments, the proceedings will be closed with respect to parties having agreed to submit such commitments, no fine will be imposed and there will be no admission of infringement or liability for those carriers. Notwithstanding any such commitments, this will not prevent a third party from bringing a civil claim for damages in this regard.

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. The Company, which acquired COMANAV in 2007, was held jointly and severally liable. Considering this decision unfounded, the Company 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.

Mistral litigation

Legal proceedings initiated by Mistral (Holding) SAL before the courts in Syria

In September 2000, a settlement agreement was signed between Mr Jacques R. Saadé and Mr Johnny Saadé, personally and on behalf of their respective companies ending many years of dispute and legal proceedings related to the sale by Mistral (Holding) SAL of its interest in CMA CGM S.A.

As from 2004, Mr Johnny Saadé, CEO of Mistral (Holding) SAL has initiated various civil and commercial legal proceedings before Lebanese and French courts to seek a ruling that the above mentioned settlement agreement was null

and void. All such actions have been rejected by civil and commercial jurisdictions in France and by civil courts in Beirut, Lebanon, up to their highest level of jurisdiction.

In 2013, Mistral (Holding) SAL has decided to initiate new legal proceedings before the courts in Syria, notwithstanding any link to the territory of Syria. Judgments, which ignored previous contrary decisions rendered in Lebanon and France, were rendered in 2013 and 2014 in favour of Mistral (Holding) SAL by the Syrian Courts.

On May 14, 2015, the Plenary Assembly ("Assemblée Plénière") of the Syrian Supreme Court (i) decided the annulment of the judgment rendered on December 14, 2014 by the Syrian Court of Cassation against Mr. Jacques Saadé, CMA CGM SA, Merit Corporation SAL and the other defendants and (ii) rejected irrevocably the original legal action from Mistral on the basis of lack of legal ground.

This decision is consistent with legal advices obtained by the Company and confirms the previous accounting position taken, no provision being recorded in the interim condensed consolidated financial statements as at March 31, 2015.

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.

With one exception, where a judgment was awarded in the amount of €8,000 (which judgment is currently under appeal by the Company), 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 $5.3 million as of March 31, 2015. 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.

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, Safety 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 Maritime Divisions, 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, 21 of the container ships we own fly the French flag (*Registre International Français "RIF"*). 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 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, who, if they reside in France less than six months per year, must elect domicile in France with regard to any administrative or judicial affairs related to ownership of the vessel; (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, Law No. 2005-412 of May 3, 2005 (now codified under Articles L. 5611-1 *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 L. 5612-3 of the French Code of Transportation for registering a vessel on the French International Register are the following:

- 35% of the crew (safe manning) must be French, EU, EEA or Swiss Confederation nationals, or nationals of any country which is party to any international agreement having the same scope with regard to residency and labor laws, 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 vessel's captain and the first officer on a RIF flagged vessel must be EU, EEA or Swiss Confederation nationals, or nationals of any country which is party to any international agreement having the same scope with regard to residency and labor laws. The captain and the first officer must hold certain professional qualifications and have sufficient knowledge of the French language and shipping-related legal matters to exercise the power of a public authority granted to the captain and the first officer.

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 required 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, 2020.

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 or their approved representative body, 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 goods 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/EC of the European Parliament and of the Council on enhancing ship and port facility security and of Directive 2005/65/EC 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 to 0.1% in all Emission Control Areas (ECA) since January 1, 2015 and finally to 0.50%, worldwide 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. The European Commission has adopted Directive 2012/33/EU sets similar requirements than IMO Annex VI but with no postponement option to 2025. As such, by 2020 all vessels in European waters in will have to reduce sulfur oxide emissions to 0.5%. In 2014, the European Parliament and the Council adopted Directive 2014/94 on the deployment of alternative fuels infrastructure which sets an obligation for Member States to ensure that an appropriate number of refueling points are put in place at maritime ports.

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. The IMO also adopted a convention on the removal of wrecks (Nairobi Convention) which has been applicable since April 14, 2015 and requires all vessels to have insurance cover arrangements which meet the requirements of the convention and a certificate from a governmental entity attesting that such insurance is in force. 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.

The Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, adopted in 2009, ensures that ships do not pose any unnecessary risk to human health and safety or to the environment when being recycled after reaching the end of their operational lives.

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 Treaty on the Functioning of the European Union provides that the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, may lay down appropriate provisions for sea and air transport. 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 96/98/EC will be repealed by Directive 2014/90/EU on marine equipment with effect from September 18, 2016. Directive 2014/90/EU aims at enhancing safety at sea and preventing marine pollution through the uniform application of the relevant international instruments relating to marine equipment to be placed on board EU ships, and at ensuring the free movement of such equipment within the Union. Until

September 18, 2016, this Directive 96/98/EC remains in force as amended by Directive 2015/559/EU in order to comply with the up-to-date version of the international conventions and testing standards.

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, amended by Directive 2014/100/EU, aims at enhancing the availability and use of port reception facilities for ship-generated waste and cargo residues in EU ports. Regulation 2006/336/EC of the European Parliament and of the Council, of which Appendix II relates to the form of documents of compliance and safety management certificates, has been amended by Regulation 540/2008/EC, 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, which establishes the fundamental principles governing the investigation of accidents in the maritime transport sector and Regulation 391/2009/EC on providing common rules and standards for ship inspection and survey organizations, establish 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. Regulation 788/2014/EU lays down detailed rules for the imposition of fines and periodic penalty payments and the withdrawal of recognition of ship inspection and survey organizations pursuant to Articles 6 and 7 of Regulation (EC) No 391/2009. Directive 2009/16/EC, as amended by Directive 2013/38/EU, and Regulation 1257/2013/EU on ship recycling set 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 and Regulation are 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 Directive 2002/59/EC, as amended several times, most recently by Directive 2014/100/EC (modification of Appendix III relating to electronic messages and the Union Maritime Information and Exchange System— SafeSeaNet), 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 1406/2002/EC 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. Regulation 911/2014/EU addressing multiannual funding for the activities of the European Maritime Safety Agency in the field of response to marine pollution caused by ships and oil and gas installations grants a financial contribution of the Union to this Agency with the aim of financing actions in the field of response to marine pollution caused by ships and oil and gas installations. The European Union passed additional pieces of legislation as part of Erika III. Notable among this 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/EC 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 Sea, 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, which implementation into national laws should have been done by Members States by June 18, 2014 at the latest (several Members States have, however, not implemented it to date, e.g. Spain and Cyprus), 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 0.1% by mass since 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 since 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. Directive 2012/33/EU obliges Member 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. Directive 2014/94/EU on the deployment of alternative fuels infrastructure provides that Member States shall ensure, by means of their national policy frameworks, that an appropriate number of refuelling points for LNG are put in place at maritime ports, to enable LNG inland waterway vessels or seagoing ships to circulate throughout the TEN-T Core Network by December 31, 2025. Member States shall ensure, by means of their national policy frameworks, that an appropriate number of refuelling points for LNG are put in place at inland ports, to enable LNG inland waterway vessels or seagoing ships to circulate throughout the TEN-T Core Network by December 31, 2030. Member States shall cooperate with neighbouring Member States where necessary to ensure adequate coverage of the TEN-T Core Network.

Regulation 1257/2013/EU on ship recycling (the "Ship Recycling Regulation") aims to reduce the negative impacts linked to the recycling of EU-flagged ships, especially in South Asia, without creating unnecessary economic burdens. It brings into force an early implementation of the requirements of the 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, therefore contributing to its global entry into force. 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 these 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 are prohibited or restricted and each new European ship (or a ship flying a flag of the third country calling at EU port or anchorage) are required to have on board an inventory of hazardous materials. The Ship Recycling Regulation also provides that European ship owners have to ensure that ships are only recycled in ship recycling facilities that meet certain environmental and safety requirements.

On July 1, 2013, the Commission submitted a proposal of a Regulation of the European Parliament and of the Council on the monitoring, reporting and verification of carbon dioxide ("CO 2") emissions from maritime transport, amending Directive 2009/16/EC. The European Economic and Social Committee adopted its opinion on October 16, 2013 and the European Parliament adopted its opinion at first reading on April 16, 2014. The Council and the European Parliament conducted informal negotiations with a view to concluding an agreement at the stage of the Council's position at first reading ('early second reading agreement'). These negotiations were concluded on November 18, 2014 with a provisional agreement. On March 5, 2015, the European Council adopted, in first reading, a Position 6/2015 on the monitoring, reporting and verification (MRV) of CO 2 emissions from maritime transport. On April 24, 2015, the Council adopted a statement on position 6/2015. On May 19, 2015, Regulation (EU) 2015/757 of April 29, 2015, was published in the Official Journal of the European Union and will enter into force on July 1, 2015. The main objective of the Regulation is to establish a system for the monitoring, reporting and verification (MRV) of CO 2 emissions from maritime transport, as a first step towards a global MRV system. Regulation 2015/757 applies to the owner of a ship or the person or organization who has assumed the responsibility for the operation of the ship (owned and chartered vessels are concerned), above 5000 GT, for the CO 2 emissions during their voyages from the last port of call to a port under the jurisdiction of a Member State and from a port under the jurisdiction of a Member State to their next port of call, as well as within ports under the jurisdiction of a Member State (at sea and at berth). This regulation sets 3 steps and milestones such as: 2017, Establishment of a detailed and externally-verified monitoring plan by companies, 2018, Implementation of the monitoring plan: Companies shall monitor CO 2 emissions for each ship on a per-voyage and an annual basis by applying the appropriate method and by calculating emissions, and 2019, companies shall submit to the Commission and to the flag States concerned an externally-verified emission report.

France. French laws and regulations implement the safety and environmental rules applicable to container shipping as determined at the international and European levels and are mainly codified in the French Code of Transportation (Chapter 5 relating to Safety and Sea transport). The provisions of Law no. 83-581, now codified in Articles L. 5241-1 *et seq.* of the French Code of Transportation, grant powers to maritime administrators to investigate and record infringements of international conventions and national legislation on maritime safety and pollution prevention, and set the relevant criminal penalties. Decree no. 84-810, as amended by Decrees no. 2012-161, no. 2013-484 and no. 2014-1428, 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. Provisions to be met by the vessels, their equipment and cargo are specified by the administrative order dated September 23, 1987 relating to security on vessels.

Law no. 2008-757 on environmental liability introduced under French law, mainly in the French Code of Environment, a specific liability regime in order to prevent and remedy environmental damage caused notably to protected species and natural habitats. Under this 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 (Articles L. 5123-1 to L. 5123-7 of the French Transportation Code and Articles 88 *et seq.* of Decree no. 67-967). Sanctions may be applied in case of non-insurance of the vessels (Articles L. 5123-5 and L. 5123-6 of the French Transportation Code). 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, on December 12, 2014, the Bureau of Ocean Energy Management ("BOEM") published a final rule increasing the cap on responsible parties' liability for discharges of oil from offshore facilities under the OPA from $75.0 million to $133.65 million. The rule went into effect on January 12, 2015.

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.

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 became 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, was 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, according to Section 93118.3, title 17, chapter 1, subchapter 7.5, California Code of Regulations (CCR), since 2014 vessels calling at California ports (Ports of Los Angeles, Long Beach, Oakland, San Diego, San Francisco and Hueneme) have to turn off auxiliary engines in port and connect the vessel to shorepower, a process known as cold ironing, with an objective of 50% of calls connected under cold ironing and 50% energy usage reduction from 2014 to 2016. In 2017, the objective is that 70% of the fleet's visits to the port will be under cold ironing, leading to a 70% of reduction of the fleet's baseline power generation, increasing to 80% and 80% respectively in 2020.

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 twelve 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 propeller shafts, stern tube 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. The business address for each of the members of the Board of Directors is 4 Quai d'Arenc, 13002 Marseilles Cedex 02, France.

Name	Age	Position
Jacques R. Saadé	78	Chairman and General Manager
Farid T. Salem	75	Deputy General Manager and Director
Rodolphe Saadé	45	Vice Chairman, Deputy General Manager and Director
Tanya Saadé Zeenny (representing Merit)	47	Director
Naïla Saadé	73	Director
Jihad Azour	50	Director
Pierre Mongin	60	Director (Independent)
Dominique Bussereau	62	Director (Independent)
Robert Yüksel Yildirim	55	Director
Evren Õztürk	33	Director
Ercüment Erdem	53	Director (Independent)
Denis Ranque	63	Director
Salim El Méouchi	72	Director

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 this Mr Saadé was President of *Compagnie Maritime d'Affrètement* (CMA) since it was founded in 1978, and of CGM S.A. since November 1996. He was President of the Franco-Lebanese Chamber of Commerce from 1986 to 2014. 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 in Marseilles. He has been with CMA 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 nationalization 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 and a Vice-Chairman since 2014. 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 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 is representing Merit in her capacity as a Director since August 2014. She became Deputy General Manager on May 23, 2014 and has been a member of the Board of Directors from January 2010 to August 2014. Prior to this, 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. She was also responsible for communications in relation to the merger process of CMA and CGM, starting in 1998. Previously, she was the Director of Corporate Communications for both CMA and CGM from 1996 to 1998. In 2005, she was appointed Vice-President of the CMA CGM Corporate Foundation. In 2010, she was

placed 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 major French NGOs (*Action contre la Faim* and *Médecins Sans Frontières since 2012 and Croix Rouge Française since 2014)* through a dedicated program to humanitarian operation in Africa, Containers of Hope, offering the transport of three 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 was appointed as a Director from the candidates proposed by Merit on August 29, 2014, prior to which he represented 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 Jihad 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 Jihad 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 a variety of 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. From 2006 to April 2015, Piere Mongin was Chairman and Chief Executive Officer of the Régie Autonome des Transports Parisiens (RATP), the Paris metropolitan transit system. Mr. Pierre Mongin joined ENGIE (previously named GDF SUEZ) on May 1, 2015 as Executive Vice President and he will be appointed General Secretary on July 1, 2015.

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. He is 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 BPI. 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 Chairman of the Board of Technicolor. He was also Director of France's BPI *(Fonds Stratégique d'Investissement today BPI*) board from 2011 to 2012, and Director of CGG Veritas from 2010 to 2012. Denis Ranque is now Chairman of the Board of Airbus Group (ex 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
Thierry Billion	52	Senior Vice President, Human Resources
Alexis Michel	57	Senior Vice President, Logistics, Reefer, Intermodal and Detentions & Demurrages
Nicolas Sartini	53	Group Senior Vice President, Asia>Europe Asia>Mediterranean Lines
Michel Sirat	54	Group Chief Financial Officer
Jean-Philippe Thenoz	60	Senior Vice President, Group Agencies Network
Elie Zeenny	53	Senior Vice President, Group Insurance & It Systems

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 (ENGIE) 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 and Asia Mediterranean 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-Philippe Thenoz joined CMA Marseilles in 1985. He assumed a variety of 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 since 2007, Reefer activity since 2009, Detentions & Demurrages since 2013 and Intermodal since 2013. 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 appointed by the general meeting of the shareholders and of two members representing the employees and designated by the central work's council (first designation to happen in June 2015). Each Director is elected for a term of three years, but the Directors appointed by the general meeting of the shareholders may be dismissed at any time by a decision taken at the ordinary general meeting of shareholders. Directors representing employees have same status, same powers and same liabilities as other Directors, and for this reason they participate to the Board of Director's decisions with deliberative voice. 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 has full authority to determine the strategic direction of the Company and any actions in furtherance thereof.

The Board of Directors currently has two committees in operation, the "Audit and Accounting Committee" and the "Appointments and Remuneration Committee." The Internal Regulations of the Board of Directors provide that the Audit and Accounting Committee be chaired by an independent director. Members of the committees are appointed by the Board of Directors for a one-year period and are currently as follows:

- Audit and Accounting Committee. Chairman: Pierre Mongin; Members: Farid T. Salem, Evren Öztürk, Denis Ranque and Jihad Azour.
- Appointments and Remuneration Committee. Chairman: Dominique Bussereau; Members: Rodolphe Saadé and Merit (represented by Tanay Saadé Zeenny).

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, as amended on April 7, 2011 and June 28, 2013 (the "Yildirim Shareholders' Agreement"), the shareholders' agreement, dated June 28, 2013 among us, Merit and BPI in the presence of Yildirim (the "BPI 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 would be the responsibility of the Chairman of the Board. On January 27, 2014 the Board of Directors confirmed the combination of the positions of Chairman of the Board and General Manager of the Company.

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 our A Preferred Share, Yildirim is entitled to appoint three members to our Board of Directors, one of whom must qualify as an independent director. 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% of share capital and voting rights on a fully diluted basis (in that case, Yildirim will cause two

of the members of our Board of Directors it appointed to resign) or 3.0% of share capital and voting rights on a fully diluted basis (in that case, Yildirim will 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 following a period of six months after its holding falls below the 3.0% threshold) on a fully diluted basis; or (ii) a 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., no later than December 31, 2017).

In connection with the BPI Investment (as defined herein—see "*Management—Corporate Governance*"), BPI, Merit and the Company in the presence of Yildirim Holding entered into the BPI Shareholders' Agreement, pursuant to which, as the holder of the C Preferred Share, BPI is entitled to appoint one member and one censor to our Board of Directors. In addition, certain strategic decisions enumerated in the BPI Shareholders' Agreement require, in addition to any requirements imposed by law and our governing documents, the vote of the director appointed by BPI; 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. BPI 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 BPI's interest in the Company falls below 3.0% of share capital and voting rights on a fully-diluted basis. For additional information, see "*Principal shareholders—Bpifrance Participations Shareholding.*"

Pursuant to the BPI Shareholders' Agreement and the Yildirim Shareholders' Agreement, the Board of Directors must be comprised of nine directors (including at least two independent directors) appointed among the candidates proposed by Merit. In addition, each of Yildirim and BPI, subject to the terms and conditions set forth in their respective 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 $3.0 million in 2014. There is no option 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 (within the meaning of Article L. 233-3 of the French Commercial Code)) 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, other than agreements contracted in the ordinary course of business under normal terms and other than agreements contracted with a company the capital of which is 100% owned directly or indirectly by the Company) to inform the company's Board of Directors explaining the interest of the company in the transaction 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 BPI Shareholders' Agreement, the director representing BPI on our 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 the main 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 BPI ORA to BPI for $150.0 million pursuant to an investment agreement dated February 6, 2013, among us, Merit and BPI. The related shareholders agreement, shareholder pledge, guarantee and delegation deed are described under "*Description of Certain Financing Arrangements—BPI 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. The amount of €40.0 million was finally repaid on August 6, 2014.

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 2.7 to 10.7 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 44.5% 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 2010, Merit holds a receivable against the Company in an amount of €40.0 million corresponding to 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.

8. 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 (iii) one guarantee in favor of Bank of Valetta, for the repayment of several loans granted by Bank of Valetta to MFTL (the aggregate amount of such loans outstanding amounting to €42 million). In the course of the disposal of the 49.0% stake in Terminal Link to CMHI in June 2013, CMHI has undertaken to indemnify and hold harmless the Company for an amount equal to 49% of all losses in connection with the enforcement of these three guarantees.

9. 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 2014 was €2.7 million.

10. In addition, Merit expects to participate in the offering for a portion of the notes offered hereby in an amount not to exceed an aggregate principal amount of $25.0 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. Each A Preferred Share and each C Preferred Share represents the same voting rights as an ordinary share (i.e. one vote per share).

Our share ownership as of April 20, 2015, 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, one of whom must qualify as an independent director. 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% of share capital and voting rights on a fully-diluted basis (in that case, Yildirim shall cause two of the members of our Board of Directors it appointed to resign) or 3.0% of share capital and voting rights on a fully-diluted basis on a fully diluted basis (in that case, Yildirim will 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 BPI, a company incorporated under the laws of France (formerly known as Fonds Stratégique d'Investissement), dated February 6, 2013 (the "BPI Investment Agreement"), whereby BPI, an investment vehicle co-owned at the time by the *Caisse des Dépôts,* a public financial institution, and the French State, subscribed the BPI ORA, representing a total investment of $150.0 million (the "BPI Investment").

Subject to and in accordance with the terms of the BPI Investment Agreement, on December 31, 2020, the BPI 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 BPI one preferred share of the Company (the "C Preferred Share"), which entitles BPI to certain governance rights as provided in the BPI Shareholders' Agreement in connection with the closing of the BPI Investment. Under the BPI Shareholders' Agreement, BPI is entitled to appoint one member and one censor to our Board of Directors. Furthermore, certain strategic decisions enumerated in the BPI Shareholders' Agreement and listed in the Board of Directors Internal Regulations require the vote of the director appointed by BPI. BPI 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 BPI's interest in the Company falls below 3.0% of share capital and voting rights on a fully-diluted basis.

The BPI 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 BPI, 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 BPI and rights of first offer in favor of BPI and Yildirim, (vi) customary anti-dilution provisions, (vii) financial information reporting obligations and (viii) certain corporate governance rights.

For more information, see "*Management—Corporate Governance*" and "*Description of Certain Financing Arrangements—BPI 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 2012 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 2012 Restructuring Principles. For the terms and conditions of the notes, see "*Description of Notes.*"*

Implementation of the 2012 Restructuring Principles

Substantially all of our bank and asset financing arrangements entered into by CMA CGM reflect the terms which had been agreed by the Company in connection with the negotiations with our bank and asset financing lenders on restructuring principles which were conducted in the context of the downturn which occurred in the shipping industry in 2011 (the "2012 Restructuring Principles"). Such downturn was caused by a 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. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Restructuring of our Capital Structure*."

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 our 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 our facilities were not rescheduled or amended.

In view of the industry's volatility, covenants based on income statement measures (principally EBITDA) were replaced under the 2012 Restructuring Principles 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 which existed in some of our facilities was removed. The 2012 Restructuring Principles also contemplated that all parties would 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 the Company 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 the Company (the "IPO").

The key terms and conditions of the 2012 Restructuring Principles, which are common to substantially all of our bank and asset financing arrangements, 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 our 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.

Certain 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). Each of these conditions have been consistently met since June 30, 2014.

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.

We also 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 2012 Restructuring Principles 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 the Company, and (ii) either (A) such repurchase is exclusively financed from the cash proceeds of an issuance by the Company of securities which are subordinated to all our existing financings or (B) we satisfy certain requirements as to minimum net leverage ratio and cash balances (higher than $800 million on a pro forma basis).

Undertakings in Relation to the BPI ORA

In satisfaction of one of our undertakings as part of the implementation of the 2012 Restructuring Principles, and pursuant to the BPI Investment Agreement and the BPI Shareholders' Agreement, we issued the BPI ORA, 793,378 12% ORA mandatorily redeemable as ordinary shares of the Company in December 2020, representing an investment of $150.0 million. See "*—BPI Investment*." In addition, we agreed that the BPI ORA remain subordinated to all our existing and future financings.

Limitations on Distributions

We also agreed to specific restrictions in terms of declaring or making any payment of dividends, management fees, shareholder loans (including any shareholder loan made available by Merit), return of capital or any similar or equivalent distribution (each a "Distribution") prior to January 2016 or, if earlier, upon implementation of the IPO. Such restrictions prevent in particular us from making any Distribution in excess of $40.0 million during 2015, it being specified that such restrictions will in any event cease to apply as from on January 1, 2016.

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 BPI ORA, provided that certain conditions are met.

The Company considers today that such restrictions on Distributions are no longer relevant and not commensurate with the Company's current operating performance and improved financial situation since December 2012. Accordingly, a general request was initiated on March 30, 2015 to the Company's creditors to increase the maximum amount of Distributions permitted to be paid for the current financial year from $40.0 million to $80.0 million. The Company increased its dividend by an amount of up to $40.0 million, thereby bringing the total distribution to $80.0 million in respect of the year ended December 31, 2014 (taking into account the interim dividend already paid on March 31, 2015).

Disposals

We agreed that the CMA CGM group would 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. Such undertaking was satisfied in connection with the sale of a 49.0% stake in Terminal Link to China Merchants Luxembourg S.à r.l for $528.0 million cash consideration.

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 12 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 were initially guaranteed by Syncora Guarantee (UK) Limited (the "Financial Guarantee"), which guarantee has since been discharged in accordance with an amendment to the Vessel Financing Securitization entered into July 27, 2014. In connection with such amendment, the rights, powers and discretions previously exercised by Syncora Guarantee (UK) Limited have been reallocated respectively to the holders of the Class A Notes or BNP Paribas as mezzanine agent (acting on the instructions of certain parties to the Vessel Financing Securitization).

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 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. The payment priorities governing payments of principal, interest and other amounts due in respect of the Class A Notes, 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 2012 Restructuring Principles on February 12, 2013.

As of March 31, 2015, the aggregate amount of our obligations outstanding under the Vessel Financing Securitization was $146.4 million.

On May 19, 2015, we launched a consent solicitation and cash tender offer for all of the outstanding Class A Notes at a maximum price of 106% of the principal amount thereof. 100% of the holders of Class A Notes participated in the Vega Tender Offer to tender their Class A Notes and to affirm their consent to the proposed modifications to the securitization documents. Payment of the consideration for the Vega Tender Offer to holders of the Class A Notes accepted for purchase was made on June 3, 2015 in an aggregate amount of $74.4 million, including accrued and unpaid interest from the last interest payment date up to and including the settlement date of June 3, 2015.

2017 Senior Notes and 2019 Senior Notes

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,"). Interest under the 2017 Senior Notes and the 2019 Senior Notes is payable semi-annually on April 15 and October 15 of each year. We may redeem all or part of the 2017 Senior Notes at any time on or after April 15, 2014 at

specified redemption prices. We may redeem all or part of the 2019 Senior Notes at any time on or after April 15, 2015 at specified redemption prices.

The indentures governing the 2017 Senior Notes and the 2019 Senior Notes contain certain covenants with respect to, among other matters, 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.

We expect to use the proceeds of this offering to refinance all of our 2017 Senior Notes and 2019 Senior Notes. For further information, see "*Use of Proceeds.*"

2018 Senior Notes

On December 16, 2013, we issued €300.0 million principal amount of 8.750% Senior Notes due December 15, 2018 (the "2018 Senior Notes"). Interest under the 2018 Senior Notes is payable semi-annually on June 15 and December 15 of each year. Prior to December 15, 2015, we may redeem all or part of the 2018 Senior Notes by paying a "make-whole premium." We may redeem all or part of the 2018 Senior Notes at any time on or after December 15, 2015 at specified redemption prices. In addition, until December 15, 2015, we may redeem up to 35% of the 2018 Senior Notes with the proceeds of certain equity offerings at specified redemption prices.

The indenture governing the 2018 Senior Notes contains certain covenants with respect to, among other matters, 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.

Refinancing Term Loans

On December 10, 2013, the Company entered into a term loan secured facility in an aggregate principal amount of €145.0 million (the "RTL") with a syndicate of banks. The RTL enabled the Company to partially refinance the amounts owed by us under a term loan facility entered into with a syndicate of banks on February 11, 2013, which amounts were due in connection with the issuance of the 2018 Senior Notes.

In addition, a second term loan secured facility in an aggregate principal amount of €65.0 million was entered into between the Company as borrower and BNP Paribas as original lender on March 28, 2014 (the "RTL II" and, together with the RTL, the "Refinancing Term Loans"). The amount borrowed under the RTL II was applied to the general corporate purposes of the Company. The Refinancing Term Loans mature on March 31, 2016.

We make customary representations under such Refinancing Term Loans. We are also subject to several standard reporting and financial covenants. The Refinancing Term Loans provide for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change. These facilities contain provisions consistent with the 2012 Restructuring Principles.

As of March 31, 2015, the amount of our obligations outstanding: (i) under the RTL was $70.5 million; and (ii) under the RTL II was $35.3 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 (two 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.

We make customary representations and warranties under the lease arrangements. We are also subject to several standard reporting and financial covenants. The lease arrangements provide for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

French Tax Lease Financing (13 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 the 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 2012 Restructuring Principles.

We make customary representations under such lease arrangements. We are also subject to several standard reporting and financial covenants. The lease arrangements provide for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under such lease arrangements was $292.5 million.

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 were amended in accordance with the 2012 Restructuring Principles. We make standard representations under such lease arrangements. We are also subject to several customary reporting and financial covenants. The lease arrangements provide for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under such lease arrangements was $272.8 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 was amended in accordance with the 2012 Restructuring Principles. We make standard representations under such lease arrangement. We are also subject to several customary reporting and financial covenants. The lease arrangement provides for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under such lease arrangement was $78.4 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 2012 Restructuring Principles. We make standard representations under such lease arrangements. We are also subject to several customary reporting and

financial covenants. We make standard representations under such lease arrangements. We are also subject to several customary reporting and financial covenants. The lease arrangements provide for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under such lease arrangements was $104.0 million.

Significant Ship Mortgaged Loan Financings

Refinancing 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 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 the Company.

We make standard representations under this facility. We are also subject to several customary reporting and financial covenants. The facility provides for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under this facility was $32.6 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 March 2011 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.

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. We are also subject to several customary reporting and financial covenants. The facility provides for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under this facility was $470.4 million.

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 also amended in March 2011 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.

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 standard representations under this facility. We are also subject to several customary reporting and financial covenants. The facility provides for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under this facility was $214.7 million.

Refinancing 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.

The French tax lease arrangements included provisions implementing the 2012 Restructuring Principles. The French tax leases were unwound in January 2014 and March 2014, respectively, following the exercise of our option to purchase all of the special-purpose vehicles' shares. Each vessel is now financed under a US$ mortgage loan granted to the special-purpose vehicle owned by the Company.

We make standard representations under such facilities. We are also subject to several customary reporting and financial covenants. The facilities provide for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under such facilities was $111.5 million.

Financing of Three 17,500-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. 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.

On September 30, 2014, the shipbuilding contracts and post-delivery financing were transferred to three wholly owned subsidiaries of the Company that have been set up to purchase each of the three vessels. The amount of the post-delivery mortgaged loan facility agreement has been raised from $310.0 million to $325 million split into three independents loans.

In March 2015, the vessels were further jumboized to 17,500 TEU. Delivery of the first vessel took place on March 31, 2015 and delivery of the second vessel took place on June 2, 2015, while the remaining vessel is scheduled for delivery in August 2015.

These facilities contain provisions implementing the 2012 Restructuring Principles.

The Company acts as guarantor of the three wholly owned subsidiaries.

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 standard representations under this facility. We are also subject to several customary reporting and financial covenants. The facility provides for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under the pre-delivery loan agreement is $25.7 million.

As of March 31, 2015, the amount of our obligations outstanding under the post-delivery mortgaged loan facility agreement was $106.4 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 another 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 such other facility.

The facilities consist of a junior tranche of up to $39.0 million and a senior tranche of up to $42.0 million.

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. We are also subject to several customary reporting covenants. The facilities provide for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under these facilities was $125.3 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 vessels. 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 2012 Restructuring Principles.

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. We are also subject to several customary reporting and financial covenants. The facility provides for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under this facility was $185.2 million.

Financing of Three 2,500-TEU Ice-Class Vessels

In 2014, we ordered and committed to purchase three 2,500-TEU Ice-Class vessels to be delivered in 2016. To finance the purchase of these three vessels, we entered into a $25.5 million pre-delivery mortgaged loan facility agreement and a $66.4 million post-delivery mortgaged loan facility agreement (which may be increased up to $76.6 million, subject to certain conditions and Sinosure approval). Under the agreement, we act as guarantor of three wholly owned subsidiaries that were set up to purchase each of the three vessels. These facilities contain provisions consistent with the 2012 Restructuring Principles.

We may prepay the whole or any part of any loan 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. We are also subject to several customary reporting and financial covenants. The facility provides for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the amount of our obligations outstanding under the pre-delivery facility was nil.

Securitization of Receivables

In October 2013, we entered into a securitization program by which we, acting as centralizing agent and Originator (as defined below), and CMA CGM & ANL Securities B.V., a special-purpose vehicle (the "Securitization Issuer") entered into a set of agreements (the "Securitization Program") with financial institutions for a financing amount of $200.0 million, which could be further increased to $800.0 million upon the addition of new investors and subject a satisfaction of certain conditions. Pursuant to sale agreements, certain of the Company's and the Company's subsidiaries' receivables (CMA CGM Antilles-Guyane, ANL Container Line Pty Limited, MacAndrews and ANL Singapore together the "Originators") are assigned to the Securitization Issuer.

Under the Securitization Program, certain receivables of the Originators were securitized up to an amount of $200.0 million and paid to us.

On October 10, 2014, an increase of the Securitization Program has been implemented up to an amount of $880.0 million with the possibility to further increase the program up to $1,050.0 billion. This increase has, amongst others things, contributed to replace a securitization program dated December 2008 concluded with several financial institutions.

The Securitization Seller 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 Securitization Program. The Securitization Program does not contain provisions implementing the 2012 Restructuring Principles.

Monthly interest payments by the Securitization Issuer are calculated according to specific formula. The Securitization Program is guaranteed by a performance guarantee granted by us and secured by pledges of certain bank accounts of the Securitization Issuer. The Securitization Program will mature on October 10, 2017 and can be extended several times for a three-year period 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, 11 as of March 31, 2015. Typically we have the option to purchase the containers at the end of the lease period for a nominal sum.

As of March 31, 2015, the aggregate amount of our obligations outstanding under such leases was $55.1 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 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.

In February 2015, the facility was amended to extend the maturity of Facility B for two additional years, maturing in February 2019, and to reduce the interest rate of Facility A maturing in February 2017.

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.

We make standard representations under this facility. We are also subject to several customary reporting and financial covenants. The facility provides for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the aggregate amount of our obligations outstanding under this facility was $111.1 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.

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.

We make standard representations under this facility. We are also subject to several customary reporting and financial covenants. The facility provides for customary events of default, including failure to make timely payment, breach of representations and covenants and material adverse change.

As of March 31, 2015, the aggregate amount of our obligations outstanding under this facility was $158.0 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, i.e., 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 "*—Senior Notes due 2018" and "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 at the time, represented approximately 10.0% of our capital and voting rights), which lapsed on January 1, 2014 and was intended to secure up to $150.0 million that might 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 initial public offering of the Company; 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 3,173,508 Yildirim 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 initial public offering of the Company, 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 BPI 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 BPI Shareholders' Agreement.

For more information, see "*Management—Corporate Governance*" and "*Principal Shareholders*."

BPI Investment

On June 28, 2013, we issued the BPI ORA (representing 793,378 subordinated bonds), pursuant to the BPI Investment Agreement, representing an investment by BPI (previously named *Fonds Stratégique d'Investissement (FSI)*) of $150.0 million.

The BPI 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 BPI 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 BPI 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 BPI any guarantee or security in connection with the issuance of the BPI ORA. However, Merit, our principal shareholder, granted BPI as security: (i) a pledge of 317,351 of our ordinary shares (which, as of December 31, 2014, 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 BPI ORA (as discussed below); and (ii) a joint guarantee (*cautionnement solidaire*) intended to secure the payment of the interest accrued on the BPI ORA from June 28, 2013 through June 30, 2015.

BPI may require us to redeem the BPI 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 BPI Investment Agreement in certain circumstances, in the event of (i) a material breach by us of the BPI 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 BPI 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 initial public offering of the Company, the BPI ORA will automatically convert into newly issued ordinary shares of the Company at a conversion rate of 1.142856819 ordinary share per the BPI ORA, subject to any applicable adjustments in accordance with Article L.228-99 of the French Commercial Code. Upon conversion, the BPI 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 BPI Investment Agreement, the BPI Shareholders' Agreement provides, among other things, for (i) a best-efforts undertaking by Merit to initiate a process towards an initial public offering of the Company 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 BPI, in particular, if the initial public offering of the Company 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 initial public offering of the Company) in favor of Merit, (v) certain tag-along rights of offer in favor of BPI and rights of first offer in favor of BPI and Yildirim, (vi) customary anti-dilution provisions, (vii) financial information reporting obligations, and (viii) certain corporate governance rights.

Pursuant to the BPI Investment Agreement, Merit has undertaken to lend to BPI one of our ordinary shares that was converted into a C Preferred Share on June 28, 2013 (the "Share Loan Agreement"). The Share Loan Agreement shall automatically terminate if BPI ceases to hold any of our securities.

For more information, see "*Management—Corporate Governance*" and "*Principal Shareholders*."

Instrument	*Obligations Remboursables en Actions (ORA)*		
	YILDIRIM		BPI
	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 for1 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 have issued, on the basis described below, €550.0 million aggregate principal amount of 7.75% Senior Notes due 2021 (the "Initial Notes") under an indenture (the "Indenture") among, *inter alios*, the Issuer and The Bank of New York Mellon, London Branch, as trustee (the "Trustee"), dated June 8, 2015 and an additional €175.0 million aggregate principal amount under the Indenture (the "Additional Senior Notes") in an exempt transaction that is not subject to the registration requirements of the U.S. Securities Act. Unless the context requires otherwise, for the purposes of this "Description of Notes", references to "Notes" shall include the Initial Notes, the Additional Senior Notes, and any Additional Notes (as defined below) collectively. See "*Notice to Investors*". The Additional Senior Notes will have the same terms and will be part of the same series as the Initial Notes. The terms of the Additional Senior Notes include those expressly set forth in the Indenture.

The following description is a summary of the material terms of the Indenture. It does not, however, restate the Indenture in its 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 Indenture. We urge you to read the 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 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. We can provide no assurance that this application will be accepted.

General

The Notes

The Notes are our general unsecured obligations.

Principal, Maturity and Interest

We have issued €725.0 million aggregate principal amount of Notes, comprising €550.0 million aggregate principal amount of Notes, issued on June 8, 2015 and €175.0 aggregate principal amount of Notes issued on June 12, 2015. 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, if the Additional Notes are not fungible with the original Notes for U.S. federal income tax purposes, such Additional Notes were issued with a separate identification number. Unless the context otherwise requires, references to the "Notes" for all purposes of the Indenture, and in this "Description of Notes" include references to Additional Notes that we actually issue. The Notes will mature on January 15, 2021 unless redeemed prior thereto as described herein.

The Notes will bear interest at the rate of 7.75% per annum, from June 8, 2015 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 the Notes on January 15 and July 15 of each year, commencing on January 15, 2016. We will pay interest on the Notes in respect of the principal amount thereof outstanding as of the immediately preceding January 1 or July 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*."

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 "144A Global Note"). The 144A Global Note will be deposited, on the closing date, with a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository. 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 Note" and, together with the 144A Global Note, the "Global Notes"). The Regulation S Global Note will be deposited, on the closing date, with a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository. Prior to the date that is 40 days after the later of the commencement of the offering

or the closing date, beneficial interests in the Regulation S Global Note may be held only through Euroclear and Clearstream. See "*Book-Entry, Delivery and Form.*"

The Notes were issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes were issued on the issue date only against payment in immediately available funds.

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 be held only through Euroclear and Clearstream unless transferred to a person that takes delivery through the 144A Global Note in accordance with certain certification requirements. Beneficial interests in the 144A Global Note may not be exchanged for beneficial interests in the Regulation S Global Note at any time except in the limited circumstances described under "*Book Entry, Delivery and Form—Exchanges between 144A Global Notes and Regulation S Global Notes.*"

Owners of beneficial interests in a Global Note will be entitled to have certificates registered in their names and to receive physical delivery of Notes only in the limited circumstances described under "*Book-Entry, Delivery and Form—Issuance of Definitive Registered Notes.*"

Transfer and Exchange

All transfers of book-entry interests between participants in Euroclear or Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to applicable rules and procedures established Euroclear or Clearstream and their respective participants. See "*Book-Entry; Delivery and Form*."

The Notes are 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 (the "Paying Agent"). 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 are our unsecured and unsubordinated obligations, and the Notes:

(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) are 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) are 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."

As of March 31, 2015, 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) we would have had total indebtedness of $5,280.2 million; and

(b) our Subsidiaries would have had total indebtedness of $2,412.2 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, or (4) 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 (including a Guarantor, if any) 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 (including a Guarantor, if any) 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 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 (or a Guarantor, if any) 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 the receipt of payments with respect thereto) 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 "—Notices" 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, interest, premium, 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 of Notes

Optional Redemption of Notes prior to January 15, 2018 upon Equity Offering

At any time prior to January 15, 2018, upon not less than 10 nor more than 60 days' notice to the holders of the Notes, we may on any one or more occasions redeem up to 40% of the aggregate principal amount of Notes outstanding, at a redemption price of 107.750% 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 60% 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 January 15, 2018

At any time prior to January 15, 2018, we may also redeem all or part of the Notes, upon not less than 10 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 January 15, 2018, plus all required interest payments that would otherwise be due to be paid on such Note during the period from the redemption date to January 15, 2018 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 January 15, 2018

At any time on or after January 15, 2018 and prior to maturity, we may redeem all or part of the Notes upon not less than 10 nor more than 60 days' prior notice. 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 January 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
2018	103.8750%
2019	101.9375%
2020 and thereafter	100.0000%

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 Taxing Jurisdiction on the date of the Indenture, the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing 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 Taxing Jurisdiction on the date of the Indenture, the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing 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 10 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.

Optional Redemption; Notification Requirements and Conditions Precedent

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*." Any redemption and notice of redemption with respect to any optional redemption of the Notes described above may, at our discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering). 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 or applicable clearing system, if any, on which the Notes are listed or cleared 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. Notwithstanding, 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 Exchange 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.

The Trustee, at our direction (or an agent appointed by the Trustee), 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 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 33 $^{1}/_{3}$% 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 33 $^{1}/_{3}$% 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 33 $^{1}/_{3}$% of the voting power of the Voting Stock of such parent entity and the Permitted Holders do not beneficially own more than 33 $^{1}/_{3}$% 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 33 $^{1}/_{3}$% 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 $^{1}/_{3}$% 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 an Investment Grade Rating (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*";
- "—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 of 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)(i) 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 in each case Capital Stock of any Person the principal business of which consists of the provision of Vessels, containers, port terminal facilities (including bunkering stations and dry port facilities) or logistics assets) 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)(i) or otherwise) being a "Productive Assets Financing"); *provided* that the principal amount of such Debt so Incurred pursuant to this clause (b)(i) does not, when Incurred, exceed (v) in the case of a completed Vessel, 85% of its Fair Market Value, (w) 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, (x) in the case of a completed container, 100% of the book value of such container, (y) 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 (z) in the case of such port terminal facilities and logistics assets, 100% of their Fair Market Value and (ii) 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, in connection with 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 in each case Capital Stock of any Person the principal business of which consists of the provision of Vessels, containers, port terminal facilities (including bunkering stations and dry port facilities) or logistics assets) 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)(ii) or otherwise) being a "Productive Assets Financing"); *provided*, that the principal amount of such Debt so Incurred pursuant to this clause (b)(ii) does not, when Incurred, exceed 80% of its 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 Company, 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 Company;

(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 Indenture;

(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 or (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 $100.0 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 2013 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 January 1, 2014 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 2013 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 clause (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 2013 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 2013 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 2013 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 2013 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 to 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 2013 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 in such 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) 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 Trustee 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 Trustee 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 certified in an Officer's Certificate);

(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 Debt (other than Subordinated Debt) of the Issuer or any Restricted Subsidiary owing to a Person other than the Issuer or a Restricted Subsidiary, (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, or (f) 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, 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*)), the maximum principal amount (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 that may be purchased with the amount of Excess Proceeds. The offer price as to the Notes will be payable in cash in an amount equal to 100% of the principal amount of the Notes, plus 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 validly tendered and not withdrawn by holders thereof exceeds the amount of Excess Proceeds, the Notes to be purchased will be selected by the Trustee on a *pro rata* basis (based upon the principal amount of Notes tendered by each holder).

(4) If we are obligated to make an Excess Proceeds Offer, we will purchase the Notes, at the option of the holders thereof, in whole or in part, equal to €100,000 or 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.

(5) To the extent that the sum of the aggregate offered price of Notes tendered pursuant to an 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 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 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 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 Capital 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 this Luxembourg 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 required by clauses (a) through (b) above at the offices of the principal paying agent in London or, to the extent and in the manner permitted by the rules of such stock exchange, post such reports on the official website of the Luxembourg Stock Exchange.

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 or 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 any 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 any 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 "*—Certain Covenants—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

(b) in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of holders of at least 90% of the Notes 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 Default or 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 euros, European Government Obligations denominated in euros 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 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;

(d) 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 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 defeasance had not occurred;

(e) 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;

(f) 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;

(g) 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;

(h) 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;

(i) 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

(j) 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 euros or European Government Obligations denominated in euros, in each case, 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 the Paying Agent 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 will 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:

"2013 Existing Notes Issue Date" means December 16, 2013.

"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 or consolidation) (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 disposition of accounts receivable and related assets in a Permitted Receivables Financing;

(xiii) that is a Qualified Lease 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.

"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.

"BPI" means *Bpifrance Participations* (formerly known as the Fonds Stratégique d'Investissement).

"BPI 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, BPI and the Company and a shareholders' agreement dated June 28, 2013, among the same parties.

"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 January 15, 2018 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 January 15, 2018; *provided*, *however*, that, if the period from such redemption date to January 15, 2018 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;

(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*."

"Clearstream" means Clearstream Banking, a *société anonyme* as currently in effect or any successor securities clearing agency.

"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 (and, in the case of clause (a) of paragraph (2) of the covenant described under “—Limitation on Debt,” on a pro forma basis, for assets being acquired by the Issuer or a Restricted Subsidiary with the Debt being incurred under such clause and in the case of clause (u) of the definition of Permitted Investments, on a pro forma basis, for the amount of the Investment being made under such clause).

"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 Facilities) 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 the 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.

"Euroclear" means Euroclear Bank SA/NV, or any successor securities clearing agency.

"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 Credit Facilities existing on the date of the Indenture.

"Existing Notes" means, collectively, the €300 million 8.75% Senior Notes due 2018 issued by the Company on December 16, 2013 and to the extent not all of the 2017 Senior Notes and/or 2019 Senior Notes are redeemed following completion of the Tender Offer, any 2017 Senior Notes and 2019 Senior Notes remaining outstanding.

"Existing Notes Indenture" means the indenture dated as of December 16, 2013 between, *inter alios*, us and The Bank of New York Mellon, London Branch, as trustee.

"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.

"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 BPI 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.

"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 the greater of $100.0 million and 1% of Consolidated Total Assets (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 an Investment made pursuant to this clause (u) is subsequently sold or repaid for cash or Cash Equivalents, the $100.0 million amount or the amount representing 1% of Consolidated Total Assets, as the case may be, 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; *provided*, *further*, that if an Investment is made pursuant to this clause (u) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to "Certain Covenants—Restricted Payments," such Investment, if applicable, shall thereafter be deemed to have been made pursuant to (c)(ii) or (iii) of the definition of "Permitted Investments" and not this clause;

(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;

(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; and

(x) Investments committed on the date of the Indenture.

"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 (ii) any such Lien 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 Indenture;

(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) 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;

(t) 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;

(u) 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;

(v) 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;

(w) Liens securing our or any Restricted Subsidiary's obligations in connection with Debt permitted to be incurred under clause (s)(ii) of the definition of "Permitted Debt" provided that such Liens do not extend to or cover any property or assets of ours or any Restricted Subsidiary other than any Capital Stock so acquired and subscribed for and any claims that are customarily granted as security in relation to any such Debt and provided further that such Debt does not exceed $300 million at any one time outstanding; and

(x) any amendment, modification, extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (x); *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.

"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 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 purchase, acquisition, construction or improvement 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.

"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.

"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.

"Shareholders Agreement" means, as the case may be, the shareholders agreement dated as of January 27, 2011, among the ORA holders, Merit Corporation SAL and the Company or the shareholders agreement dated as of June 28, 2013 among Merit Corporation SAL, the BPI 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 of 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 terms 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).

"Tender Offer" means the concurrent cash tender offer for any and all of the Company's outstanding 2017 Senior Notes and 2019 Senior Notes commenced on May 26, 2015.

"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 U.S. Securities Act ("Regulation S")) 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 Note"). 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.

Each series of notes sold to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A")) 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 Note" and, together with the Regulation S Global Note, the "Global Notes"). The 144A 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.

Ownership of beneficial interests in the 144A Global Notes ("144A Book-Entry Interests") and ownership interest in 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, as applicable, 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*."

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, as applicable, 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/or Clearstream, or their respective nominees, as applicable, 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 Agent, the Paying Agent 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 were 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 Agent. The Paying Agent 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 Agent 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 Global Notes will be paid to holders of interest in such notes (the "Euroclear/Clearstream Holders") through Euroclear and/or Clearstream in euro.

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, as applicable. 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:

(i) The notes have been accepted for clearance and settlement 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"; and

(ii) 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

The following is a general description of certain French, European Union and U.S. tax considerations relating to the notes that may be relevant to Noteholders who do not concurrently hold shares of the Issuer. It does not purport to be a complete analysis of all tax considerations relating to the notes, whether in France or elsewhere. Prospective purchasers of notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of notes and receiving payments of interest, principal and/or other amounts under the notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the current legislation, published case law and other published guidelines and regulations as in effect on the date of this Luxembourg listing particulars and is subject to any change in law that may take effect after such date (potentially with retroactive effect). This description is for general information only and does not purport to be comprehensive. It does not address specific issues which may be relevant to holders of the notes who concurrently hold shares of the Issuer or who are otherwise related with the Issuer within the meaning of Article 39,12 of the French Tax Code.

European Union Savings Directive

Under the Savings Directive, Member States, subject to a number of conditions being met, are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid or secured by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State and to certain limited types of entities established in that other Member State ("the Disclosure of Information Method").

On March 24, 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from January 1, 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria, instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner elects for the Disclosure of Information Method, or unless Austria elects otherwise during this transitional period, withhold an amount on interest payments. The rate of such withholding tax currently equals 35%. Regarding Luxembourg, according to a law dated November 25, 2014, the Luxembourg Government has abolished the withholding system with effect from January 1, 2015, in favor of the automatic information exchange mechanism under the Directive.

A number of non-EU countries and territories, such as Switzerland, have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since July 1, 2005.

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, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, 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") with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and; (ii) the date on which the European Council unanimously 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 within the meaning of the Savings Directive.

On March 18, 2015, the European Commission proposed to repeal the Savings Directive as restated by the Amending Directive from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). According to the European Commission, the repeal is appropriate because the automatic exchange of information between the EU Member States is sufficiently provided for by the Cooperation Directive. As a consequence of the proposed repeal, the EU Member States would no longer be obliged to implement the Amending Directive but would still be required to implement automatic exchange of information as provided for by the Cooperation Directive.

France

Implementation of the Savings Directive in France

The Savings Directive was implemented into French law under Article 242 ter of the French Tax Code and Articles 49 I ter to 49 sexies of Annex III to the French Tax Code. Article 242 ter of the French Tax Code imposes 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, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Please refer to the section "*European Union—EU Savings Directive*" above for more details.

Withholding tax in France

The following is an overview of certain tax considerations that may be relevant to holders of the notes who do not concurrently hold shares of the Issuer.

(a) Payments of interest and other revenues made by the Issuer with respect to notes will not be subject to withholding tax unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French Tax Code (a "Non-Cooperative State"). Pursuant to Article 125 A III of the French Tax Code, if such payments under the notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favorable provisions of an applicable double tax treaty). The 75% withholding tax is applicable irrespective of the tax residence of the Noteholder. A list of Non-Cooperative States is published by a ministerial executive order, which is updated on an annual basis.

Furthermore, according to Article 238 A of the French Tax Code, interest and other revenues on such notes are not to be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State (the "Deductibility Exclusion"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterized as constructive dividends pursuant to Article 109 *et seq.* of the French Tax Code, 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 French Tax Code, at a rate of 30% or 75% subject to the more favorable provisions of a tax treaty, if applicable.

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French Tax Code nor the Deductibility Exclusion nor the withholding tax set out in Article 119 bis 2 of the French Tax Code will apply in respect of a particular issue of notes if the Issuer can prove that the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount and that the principal purpose and effect of such issue of notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "Exception").

Pursuant to the French tax administrative guidelines (BOI-INT-DG-20-50-20140211, n°990; BOI-RPPM-RCM-30-10-20-40-20140211, n°70; BOI-IR-DOMIC-10-20-20-60-20150320, n°10; and BOI-ANNX-000364-20120912, n°20), an issue of notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of notes, if such notes are:

(i) offered by means to a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State other than 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 securities market authorities; 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 clearing 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 Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

(b) As the notes issued by the Issuer under this Luxembourg 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 French Tax Code.

(c) Pursuant to Article 125A of the French Tax Code subject to certain limited exceptions, interest and similar income received by individuals who are residents of France for French tax purposes are subject to a 24% withholding tax which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also

levied by way of withholding tax at an aggregate rate of 15.5% on interest and similar income paid to such French tax domiciled individuals.

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.

U.S. Federal Income Tax Considerations

The following discussion summarizes certain U.S. federal income tax consequences to a U.S. holder of purchasing, owning and disposing of the notes. For purposes of this discussion, a "U.S. holder" means, for U.S. federal tax income purposes, 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 foreign 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 U.S holder whose "functional currency" is not the U.S. dollar.

This discussion does not address the tax considerations relevant to U.S. holders of the notes under any state, local or foreign tax laws or any other tax laws other than the U.S. federal income tax laws, and it does not address the federal estate and gift tax, the alternative minimum tax or the Medicare tax on net investment income.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its tax adviser as to its tax consequences.

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.

Issuance of Notes

The notes will be treated as part of the same issue for U.S. federal income tax purposes if the notes (i) have the same credit and payment terms; (ii) are issued either pursuant to a common plan or as part of a single transaction or a series of related transactions; and (iii) are issued within a period of thirteen days beginning with the date on which the initial notes were issued to a person other than a bond house, broker, or similar person or organization acting in the capacity of an underwriter, placement or wholesaler. We expect the notes to be treated as part of the same issue as the for U.S. federal income tax purposes.

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 on the euro-denominated notes 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 euro-denominated 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 euro-denominated notes at a spot rate of exchange 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 U.S. source ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the notes.

Foreign Tax Credit

Stated interest paid on the notes generally will constitute foreign source income and generally will be treated as "passive category" income or, in the case of certain U.S. holders, "general category" income for purposes of the U.S. foreign tax credit limitations. Any non-U.S. withholding tax paid by a U.S. holder at a rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The rules relating to foreign tax credits are complex and U.S. holders should consult their own tax advisers regarding the availability of a foreign tax credit and the application of the foreign tax credit limitations to their particular situation.

Sale, Exchange 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, 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 purchase price for the note. The tax basis for a note generally will equal the U.S. dollar value of the purchase price 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 euro-denominated 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 to U.S. holders 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 timely filing the appropriate claim for refund with the IRS and furnishing any required information.

Foreign Financial Asset Reporting

Certain U.S. holders are required to report information to the IRS with respect to their ownership of "specified foreign financial assets," which generally will include the notes, unless the notes are held in an account at certain financial institutions. Holders who fail to report required information could become subject to substantial penalties. U.S. holders are encouraged to consult their own tax advisers regarding the possible implications of these rules on their investment in notes.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated June 3, 2015, we agreed to sell to the initial purchasers and each initial purchaser agreed, severally and not jointly, to purchase from us €550.0 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	€247,500,000
Morgan Stanley & Co. International plc.	247,500,000
Crédit Agricole Corporate and Investment Bank	11,000,000
HSBC Bank plc	11,000,000
ING Bank N.V., London Branch	11,000,000
Société Générale	11,000,000
UniCredit Bank AG	11,000,000
Total	**€550,000,000**

(1) Sales may be made through affiliates of the initial purchasers listed above.

Under the terms and subject to the conditions contained in a purchase agreement dated June 9, 2015, we have agreed to sell to the initial purchasers and each initial purchaser has agreed, severally and not jointly, to purchase from us €175.0 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	€157,500,000
Crédit Agricole Corporate and Investment Bank	3,500,000
HSBC Bank plc	3,500,000
ING Bank N.V., London Branch	3,500,000
Société Générale	3,500,000
UniCredit Bank AG	3,500,000
Total	**€175,000,000**

(1) Sales may be made through affiliates of the initial purchasers listed above.

The initial purchasers offered 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 this Luxembourg 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 this Luxembourg 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 non-U.S. persons outside the United States, in reliance upon Regulation S.

In addition, until 40 days following the later of (i) the commencement of this offering and (ii) the Issue Date, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. During this 40-day period, none of Clearstream or Euroclear will monitor compliance by dealers with Section 4(3) of the Securities Act.

United Kingdom

Each initial purchaser, severally and not jointly, has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

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 Luxembourg listing particulars or any other offering or publicity material in any jurisdiction, including the United States and the United Kingdom, where action for this purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, and neither this Luxembourg listing particulars nor any other offering material or advertisements in connection with the notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Luxembourg listing particulars does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Luxembourg listing particulars comes are advised to inform themselves about and to observe any restrictions relating to the offering of the notes, the distribution of this Luxembourg listing particulars and resale of notes. See "*Notice to Investors.*"

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 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. With respect to additional notes sold pursuant to Regulation S, after the 40th day following the date of delivery of the additional notes, the additional notes will trade fungibly with, and will have the same ISINs and common codes as our outstanding initial notes sold pursuant to Regulation S. However, we cannot assure you that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. 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 Manager 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 Manager engages in stabilizing or syndicate-covering transactions, it 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. 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 this Luxembourg 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 this Luxembourg listing particulars, which will be the third business day following the date of pricing of the notes (this settlement cycle is being referred to as "T+3").

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the notes offered hereby.

General

The notes have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and securities laws of any other applicable jurisdiction. Accordingly, the notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and in offshore transactions in reliance on Regulation S under the Securities Act.

We have not registered and will not register the notes under the Securities Act and, therefore, the notes may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, we offered and sold the notes to the Initial Purchasers for re-offer and resale only:

- in the United States to "qualified institutional buyers," commonly referred to as "QIBs," as defined in Rule 144A under the Securities Act in compliance with Rule 144A; and
- outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

We use the terms "offshore transaction," "U.S. person" and "United States" with the meanings given to them in Regulation S under the Securities Act.

Important Information about the Offering

Each purchaser of notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) You understand and acknowledge that the notes have not been registered under the Securities Act or the securities laws of any other applicable jurisdiction and that the notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.

(2) You are not our "affiliate" (as defined in Rule 144 under the Securities Act) or acting on our behalf and you are either:

  (a) a QIB, within the meaning of Rule 144A under the Securities Act, and are aware that any sale of these notes to you will be made in reliance on Rule 144A under the Securities Act, and such acquisition will be for your own account or for the account of another QIB; or

  (b) not a "U.S. person" or purchasing for the account or benefit of a U.S. person (other than a distributor), and you are purchasing the notes in an offshore transaction in accordance with Regulation S under the Securities Act.

(3) You acknowledge that neither we, nor any of the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to the Issuer and its subsidiaries or the offer or sale of any of the notes, other than the information contained in this Luxembourg listing particulars, which Luxembourg listing particulars has been delivered to you and upon which you are relying in making your investment decision with respect to the notes. You acknowledge that no person other than the Issuer makes any representation or warranty as to the accuracy or completeness of this Luxembourg listing particulars. You have had access to such financial and other information concerning us and the notes as you have deemed necessary in connection with your decision to purchase any of the notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(4) You are purchasing the notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any other applicable securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such

notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the notes, and each subsequent holder of the notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such notes prior to the date (the "Resale Restriction Termination Date") that is one year (in the case of Rule 144A notes) or 40 days (in the case of Regulation S notes) after the later of the date of the original issue and the last date on which the Issuer or any of its affiliates was the owner of such notes (or any predecessor thereto) only:

(a) to the Issuer or any subsidiary thereof;

(b) pursuant to a registration statement that has been declared effective under the Securities Act;

(c) for so long as the notes are eligible for resale pursuant to Rule 144A under the Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act;

(d) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; or

(e) pursuant to any other available exemption from the registration requirements of the Securities Act;

subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations.

You acknowledge that the Issuer, the Trustee, the registrar and the Transfer Agent reserve the right prior to any offer, sale or other transfer of the notes (i) pursuant to clause (d) or (e) above prior to the Resale Restriction Termination Date of the notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to each of them, the Issuer, the Trustee, the registrar and the Transfer Agent, and (ii) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

(6) Each purchaser acknowledges that each Global Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IT IS ACQUIRING THIS SECURITY IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION

FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If you purchase notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these notes as well as to holders of these notes.

(7) You agree that you will, and each subsequent holder is required to, give to each person to whom you transfer the notes notice of any restrictions on the transfer of such notes, if then applicable.

(8) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

(9) You acknowledge that the registrar will not be required to accept for registration or transfer any notes acquired by you except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth therein have been complied with.

(10) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and you agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the notes are no longer accurate and complete, you shall promptly notify us and the Initial Purchasers in writing. If you are acquiring any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(11) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would result in a public offering of notes or the possession, circulation or distribution of this Luxembourg listing particulars or any other material relating to the Issuer or the notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of notes will be subject to the selling restrictions set forth in this section of this Luxembourg listing particulars and/or in the front of this Luxembourg listing particulars under "*Notice to Investors*," "*Notice to New Hampshire Residents Only,*" "*Notice to Certain European Investors*" and "*Plan of Distribution*."

LEGAL MATTERS

Willkie Farr & Gallagher (UK) LLP, our United States counsel and Willkie Farr & Gallagher LLP, our 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, respectively. Certain legal matters relating to the offering will be passed upon on behalf of the initial purchasers by Shearman & Sterling (London) LLP with respect to matters of U.S. federal and New York state law. Certain legal matters relating to the offering will be passed upon on behalf of the initial purchasers by Shearman & Sterling LLP with respect to matters of French law.

INDEPENDENT AUDITORS

The consolidated financial statements of CMA CGM S.A. as of and for the end of the year ended December 31, 2014, have been audited by Deloitte & Associés and KPMG Audit, a Division of KPMG S.A., independent auditors, as stated in their report dated March 27, 2015, a free English translation of which is included in this Luxembourg listing particulars. The consolidated financial statements of CMA CGM S.A. as of and for the year ended December 31, 2013, have been audited by PricewaterhouseCoopers Audit and KPMG Audit, a Division of KPMG S.A., independent auditors, as stated in their report dated March 28, 2014, a free English translation of which is included in this Luxembourg listing particulars. The unaudited interim condensed consolidated financial statements of CMA CGM S.A., as of and for the three months ended March 31, 2015, have been reviewed by Deloitte & Associés and KPMG Audit, a Division of KPMG S.A., independent auditors, as stated in their report dated May 18, 2015. The six-year term of the statutory auditor PricewaterhouseCoopers Audit expired with the annual shareholder meeting of 2014, which approved the financial statements for the year ending December 31, 2013. Deloitte & Associés was appointed as statutory auditor, together with KPMG Audit, a Division of KPMG S.A., until the annual shareholder meeting of 2020, which will approve the financial statements for the year ending December 31, 2019.

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. However, it may be possible for investors to effect service of process within France upon those persons or entities, provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

The following is a summary of certain legal aspects of French law regarding the enforcement of civil law entitlements connected with the shares against the Company and/or the French Individuals.

The United States and France are not parties to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (exequatur) in France before the relevant civil court (Tribunal de Grande Instance) that has exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (*i.e.*, non ex parte) proceedings if such U.S. Judgment is enforceable in the United States and if the French civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French civil court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having indirect jurisdiction over the matter because the dispute is clearly connected to the jurisdiction of such court (*i.e.*, there was no international forum shopping), the choice of the U.S. court was not fraudulent and the French courts did not have exclusive jurisdiction over the matter;
- such U.S. judgment does not contravene French international public policy rules (ordre public international), both pertaining to the merits and to the procedure of the case, including fair trial rights; and
- such U.S. judgment is not tainted with fraud under French law.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (i.e. those having a res judicata effect) can benefit from an exequatur under French law, that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France, and there is no proceedings pending

before French courts at the time enforcement of the U.S. judgment is sought and having the same or similar subject matter as such U.S. judgment.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68 678 of July 26, 1968, as modified by French law No. 80 538 of July 16, 1980 and French Ordinance No. 2000 916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as most recently modified by French Ordinance No. 2011-1012 of August 24, 2011) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case by case basis by French courts), or in case of overriding mandatory rules. Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French Individuals. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant. Case law long interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

The French Supreme Court (Cour de cassation) has recently held that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction was invalid on the ground that it was discretionary (potestative). Accordingly, any provisions to the same effect in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts. However, this decision was issued on the basis of the Brussels Regulation and has yet to be confirmed in cases that do not fall within the scope of the Brussels Regulation.

GENERAL INFORMATION

(1) Our registered address is 4 Quai d'Arenc, 13002 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. Notices regarding the Notes will be notifed to the Trustee and published in a Luxembourg newspaper of general circulation and may be also published on the website of the Luxembourg Stock Exchange. See "Description of Notes—Notices".

(3) The notes have been authorized by resolutions of our Board of Directors, dated May 18, 2015. Except as disclosed in this Luxembourg listing particulars, there has been no material adverse change in our financial condition since our latest audited financial statements and our latest unaudited interim condensed consolidated financial statements. In addition, except as disclosed in this Luxembourg listing particulars, since such date, there has been no material change in our non-current liabilities and cash and cash equivalents, 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 this Luxembourg listing particulars and of the Issuer's current audited consolidated annual financial statements and unaudited condensed consolidated quarterly financial statements will be available free of charge at the office of the Luxembourg Listing Agent, The Bank of New York Mellon, Luxembourg S.A.

(5) Except as disclosed in this Luxembourg 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 the facilities of Euroclear and Clearstream. The notes sold pursuant to Rule 144A have a common code of 124480485. The notes sold pursuant to Rule 144A have an ISIN of XS1244804859. During the 40-day distribution compliance period (as defined in Regulation S under the Securities Act), the additional notes sold pursuant to Regulation S will be represented by a temporary global note with a temporary ISIN of XS1246874975 and a temporary common code of 124687497. Following the 40-day distribution compliance period, the Regulation S Global Note will have a common code of 124481511 and an ISIN of XS1244815111.

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Deloitte & Associés
Les Docks – Atrium 10.4
10 place de la Joliette
13002 Marseille

KPMG Audit
Division of KPMG S.A
480 avenue du Prado
13008 Marseille

CMA CGM S.A.

Société Anonyme

4 quai d'Arenc
13002 Marseille

Statutory Auditors' Review Report on the interim condensed consolidated financial statements

Period from January 1, 2015 to March 31, 2015

To the Board of Directors of CMA CGM S.A.

As Statutory Auditors of CMA CGM S.A. and at your request, we have reviewed the accompanying interim condensed consolidated financial statements of CMA CGM S.A., for the period from January 1, 2015 to March 31, 2015.

These interim condensed consolidated financial statements have been approved by the Board of Directors. Our role is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review primarily consists of making inquiries of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Those procedures are substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently the assurance obtained that the interim condensed consolidated financial statements, taken as a whole, are free of material misstatement is moderate and less than that obtained by an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34—the standard of the IFRS as adopted by the European Union applicable to interim financial information.

This report is governed by French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference which may arise out of or in connection with our engagement letter or this report.

Marseille, France

May 18, 2015

The Statutory Auditors

Deloitte & Associés	**KPMG Audit** **A Division of KPMG S.A**
Vincent Gros **Partner**	**Georges Maregiano** **Partner**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

* *
*

Three month period ended March 31, 2015

Interim Consolidated Income Statement
For the three month period ended March 31, 2015

(in USD million, except for earnings per share)

	Note	For the three month period ended March 31, 2015	2014
REVENUE	(4)	4,013.0	3,940.9
Operating expenses	(5)	(3,523.1)	(3,673.8)
OPERATING PROFIT BEFORE GAINS ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES, DEPRECIATION & AMORTIZATION, etc.		**489.9**	**267.1**
Gains / (losses) on disposal of property and equipment and subsidiaries	(6)	(0.9)	19.7
Depreciation and amortization of non-current assets	(12)	(98.0)	(98.5)
Other income and expenses	(7)	17.6	(5.9)
Net present value (NPV) benefits related to assets financed by tax leases	(8)	11.2	17.6
OPERATING PROFIT BEFORE SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES		**419.8**	**200.0**
Share of income / (loss) from associates and joint ventures	(13)	3.1	(0.4)
OPERATING PROFIT AFTER SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES	(4)	**422.9**	**199.6**
Interests expense on borrowings		(65.2)	(83.7)
Interests income on cash and cash equivalent		6.1	9.0
Other net financial items		71.8	(7.0)
FINANCIAL RESULT	(9)	**12.7**	**(81.7)**
PROFIT BEFORE TAX		**435.6**	**117.9**
Income taxes	(10)	(22.3)	(14.8)
PROFIT FOR THE PERIOD		**413.3**	**103.1**
of which:			
NON CONTROLLING INTERESTS		6.9	6.0
OWNERS OF THE PARENT		**406.4**	**97.1**
Earnings per share basic and diluted attributable to the owners of the parent company (in USD)		*27.4*	*7.0*

The accompanying notes are part of the interim condensed consolidated financial statements.

Interim Consolidated Statement of Comprehensive Income
For the three month period ended March 31, 2015

(in USD million)

	For the three month period ended March 31,	
	2015	**2014**
PROFIT FOR THE PERIOD	**413.3**	**103.1**
Other comprehensive income reclassifiable to Profit and Loss		
Cash flow hedges:		
Gains / (losses) arising during the period	(1.2)	(2.3)
Recycling to the income statement	0.5	1.0
Currency translation adjustment related to foreign subsidiaries, associates and joint ventures	(55.5)	(4.0)
Share of other comprehensive income of associates, net of tax	0.1	—
Other comprehensive income non reclassifiable to Profit and Loss		
Remeasurment of defined benefit pension plans	(5.7)	—
Remeasurment of defined benefit pension plans of associates	—	(0.1)
Total other comprehensive income / (loss), net of tax	**(61.8)**	**(5.4)**
Total comprehensive income / loss) for the period, net of tax	**351.5**	**97.7**
Of which:		
Non-controlling interests	5.3	6.3
Owners of the parent company	**346.2**	**91.4**

The accompanying notes are part of the interim condensed consolidated financial statements.

Interim Consolidated Balance Sheet—Assets
As at March 31, 2015

(in USD million)

	Note	As at March 31, 2015	As at December 31, 2014
Goodwill	(11)	286.4	289.7
Other intangible assets	(11)	229.2	222.4
INTANGIBLE ASSETS		**515.6**	**512.1**
Vessels	(12)	6,015.3	5,974.4
Containers	(12)	532.9	544.9
Lands and buildings	(12)	479.0	540.2
Other properties and equipments	(12)	107.4	110.8
PROPERTY AND EQUIPMENT	(12)	**7,134.6**	**7,170.3**
Deferred tax assets	(10)	32.7	34.2
Investments in associates and joint ventures	(13)	665.1	686.1
Non-current derivative financial instruments	(14)	3.3	3.0
Other non-current financial assets	(15)	655.1	657.3
NON-CURRENT ASSETS		**9,006.4**	**9,063.0**
Inventories	(16)	321.6	384.4
Trade and other receivables	(16)	2,259.4	2,382.7
Current income tax asset	(16)	13.1	15.6
Current derivative financial instruments	(14)	2.5	3.9
Securities and other current financial assets	(17)	97.7	77.1
Cash and cash equivalents	(18)	2,218.7	2,186.5
Prepaid expenses	(16)	297.5	249.4
Assets classified as held-for-sale		—	0.5
CURRENT ASSETS		**5,210.5**	**5,300.1**
TOTAL ASSETS		**14,216.9**	**14,363.1**

The accompanying notes are part of the interim condensed consolidated financial statements.

Interim Consolidated Balance Sheet—Liabilities & Equity
As at March 31, 2015

(in USD million)

	Note	As at March 31, 2015	As at December 31, 2014
Share capital		169.2	169.2
Reserves and retained earnings		4,685.4	4,202.4
Profit of the period attributable to the equity owners of the parent		406.4	583.6
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		**5,261.0**	**4,955.2**
Non-controlling interests		44.4	40.1
TOTAL EQUITY		**5,305.4**	**4,995.3**
Non-current borrowings	(19)	4,270.4	4,409.4
Non-current derivative financial instruments	(14)	54.5	55.2
Deferred tax liabilities	(10)	57.1	53.0
Provisions and retirement benefit obligations	(20)	283.4	331.1
Non-current deferred income		2.9	3.6
NON-CURRENT LIABILITIES		**4,668.3**	**4,852.3**
Current borrowings	(19)	942.4	1,070.7
Current derivative financial instruments	(14)	26.7	32.9
Current portion of provisions	(20)	18.6	19.7
Trade and other payables	(16)	2,672.8	2,720.2
Current income tax liability	(16)	24.6	28.0
Current deferred income	(16)	558.1	644.0
Liabilities associated with assets classified as held-for-sale		—	—
CURRENT LIABILITIES		**4,243.2**	**4,515.5**
TOTAL LIABILITIES & EQUITY		**14,216.9**	**14,363.1**

The accompanying notes are part of the interim condensed consolidated financial statements.

Interim Consolidated Statement of changes in Equity
As at March 31, 2015 and 2014

(in USD million)

	Attributable to the equity owners of the parent						
		Reserves, retained earnings and Profit for the period					
	Share capital (*)	**Bonds redeemable in shares (**)**	**Premium, legal reserves, Profit for the period and other comprehensive income non reclassifiable to profit and loss**	**Other comprehensive income reclassifiable to profit and loss**	**TOTAL**	**Non-controlling interests**	**Total Equity**
Balance as at January 1, 2014	**169.2**	**331.6**	**4,023.4**	**(32.3)**	**4,491.9**	**49.2**	**4,541.1**
Profit for the period	—	—	97.1	—	**97.1**	6.0	**103.1**
Other comprehensive income, net of tax	—	—	—	(5.7)	**(5.7)**	0.3	(5.4)
Total comprehensive income for the period	**—**	**—**	**97.1**	**(5.7)**	**91.4**	**6.3**	**97.7**
Transaction with non-controlling interests	—	—	(1.3)	1.0	**(0.3)**	(2.0)	**(2.3)**
Dividends	—	—	—	—	**—**	(1.2)	**(1.2)**
Balance as at March 31, 2014	**169.2**	**331.6**	**4,119.2**	**(37.0)**	**4,583.0**	**52.3**	**4,635.3**
Balance as at January 1, 2015	**169.2**	**331.6**	**4,552.5**	**(98.1)**	**4,955.2**	**40.1**	**4,995.3**
Profit for the period	—	—	406.4	—	**406.4**	6.9	**413.3**
Other comprehensive income, net of tax	—	—	(5.7)	(54.5)	**(60.2)**	(1.6)	(61.8)
Total comprehensive income for the period	**—**	**—**	**400.7**	**(54.5)**	**346.2**	**5.3**	**351.5**
Transaction with non-controlling interests	—	—	(0.4)	—	**(0.4)**	0.3	**(0.1)**
Dividends	—	—	(40.0)	—	**(40.0)**	(1.3)	**(41.3)**
Total transactions with Shareholders	**—**	**—**	**(40.4)**	**—**	**(40.4)**	**(1.0)**	**(41.4)**
Balance as at March 31, 2015	**169.2**	**331.6**	**4,912.8**	**(152.6)**	**5,261.0**	**44.4**	**5,305.4**

(*) The share capital is composed of 10,578,357 shares. The share capital is fully constituted of ordinary shares with the exception of two preference shares held by Yildirim (one "A" preferred share) and the Fonds Strategique d'Investissement (FSI being now Banque Publique d'Investissement (Bpifrance)—one "C" preferred share).

(**) In 2011 and 2013, Yildirim subscribed for USD 600 million to bonds mandatorily redeemable in the Company's preferred shares as at December 31, 2015. As at December 31, 2017, these preferred shares held by Yildirim will automatically be converted into ordinary shares of the Company giving access to 24% of the Company's ordinary shares on a fully diluted basis.

In June 2013, the FSI subscribed for USD 150 million to new bonds mandatorily redeemable in the Company's ordinary shares, giving access to 6% of the Company's ordinary shares upon conversion on a fully diluted basis. These bonds matures in December 2020.

Due to their characteristics, these above mentioned bonds resulted in an increase in the Company's equity for USD 331.6 million and an increase in borrowings, the remaining portion of the nominal amount being initially treated as borrowings, corresponding to the net present value of interest payable during the contractual maturity (see Note 19).

The accompanying notes are part of the interim condensed consolidated financial statements.

Interim Consolidated Cash Flow Statement
For the three month period ended March 31, 2015

(in USD million)

	Note	For the three month period ended March 31, 2015	2014
Profit of the period		**413.3**	**103.1**
Reconciliation of profit for the period to cash generated from operations:			
—Depreciation and amortization	(12)	98.0	98.5
—Net present value (NPV) benefits related to assets financed by tax leases	(8)	(11.2)	(17.6)
—Other income and expense	(7)	(17.6)	5.9
—Increase / (Decrease) in provisions		4.1	3.9
—Loss / (Gains) on disposals of property and equipment and subsidiaries	(6)	0.9	(19.7)
—Share of (Income) / Loss from associates and joint ventures	(13)	(3.1)	0.4
—Interest expenses on net borrowings		73.3	74.2
—Income tax	(10)	22.3	14.8
—Prepaid expenses and deferred income		(134.3)	(39.9)
—Other non cash items		(40.0)	(19.0)
Changes in working capital	(16)	**90.4**	**(31.2)**
Cash flow from operating activities before tax		**496.1**	**173.4**
—Income tax paid		(18.4)	(5.7)
Cash flow from operating activities net of tax		**477.7**	**167.7**
Purchases of intangible assets		(11.2)	(14.1)
Purchases / disposals of subsidiaries, net of cash acquired / divested		3.4	(2.2)
Purchases of property and equipment		(31.8)	(64.1)
Proceeds from disposal of property and equipment		4.4	101.1
Proceeds from disposal of assets classified as held-for-sale		—	50.0
Dividends received from associates and joint ventures		8.7	4.8
Variation in other financial assets		(69.6)	(29.1)
Variation in securities		0.8	212.8
Net cash (used for) / provided by investing activities		**(95.3)**	**259.2**
Dividends paid to the owners of the parent company and non-controlling interest		(41.3)	(1.3)
Proceeds from bank borrowings, net of issuance costs		23.2	0.6
Repayments of bank borrowings		(127.8)	(206.4)
Principal repayments on finance leases		(12.6)	(15.2)
Decrease in liabilities associated with assets held-for-sale		—	(29.5)
Interest paid on net borrowings		(33.7)	(33.3)
Other financing fees and interests		(1.3)	(6.6)
Net cash used for financing activities		**(193.5)**	**(291.7)**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(26.2)	(1.5)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**162.7**	**133.7**
Cash and cash equivalents and bank overdrafts at the beginning of the year		**1,741.7**	**1,329.6**
Cash and cash equivalents as per balance sheet		2,218.7	1,494.9
Bank overdrafts		(314.3)	31.6
Cash and cash equivalents and bank overdrafts at the end of the year	(18)	**1,904.4**	**1,463.3**
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**162.7**	**133.7**
Supplementary information: non cash investing or financing activities:			
—Assets acquired through bank borrowings		*90.9*	*—*
Supplementary information:			
—Financial income received		*5.8*	*8.3*

	Note	For the three month period ended March 31, 2015	2014
—Financial expenses paid		*(39.4)*	*(41.6)*

The accompanying notes are part of the interim condensed consolidated financial statements.

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 three month period ended March 31, 2015 were approved by the Board of Directors on May 18, 2015.

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 three-month period ended March 31, 2015 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, securities and derivative financial instruments which have all been measured at fair value.

Statement of compliance

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 financial statements for the year ended December 31, 2014.

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of CMA CGM S.A. and its subsidiaries as at March 31, 2015.

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"). The functional currency of the shipping activities is U.S. Dollars. This means that, among other things, the carrying amounts of property, plant and equipment and intangible assets and, hence, depreciation and amortization are maintained in USD from the date of acquisition. For other activities, the functional currency is generally the local currency in the country in which such activities are performed.

All values are rounded to the nearest million (USD 000,000) with a decimal unless otherwise indicated.

Seasonality

The Company experiences seasonality in its activity characterized by a recurring high level of demand in the summer-fall period. 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.

2.2 Change in accounting policies and new accounting policies

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements have been applied consistently with those described in the annual consolidated financial statements for the year ended December 31, 2014, except as outlined in the paragraphs below.

Adoption of new and amended IFRS and IFRIC interpretations from January 1, 2015

- Amendments to IFRIC 21

The IASB issued IFRIC Interpretation 21 Levies, which clarifies the accounting for levies imposed by governments. The scope of the interpretation is broad and covers all levies, except outflows that are in the scope of IAS 12 Income Taxes and penalties for breaches of legislation. These amendments did not have a major impact on the Company's financial position and performance, and thus, the comparative information has not been restated.

- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions

The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years

of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments did not have a major impact on the Company's financial position and performance.

New IFRS and IFRIC interpretations effective for the financial year beginning on or after January 1, 2015, not yet approved by the european union and not early adopted

- IFRS 9: Financial instruments
- IFRS 14: Regulatory Deferral Accounts
- IFRS 15: Revenue from contracts with customers
- Amendments to IAS 1: Disclosure initiatives
- Amendments to IFRS 11: Accounting for acquisition of interests in joint operations
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization
- Amendments to IAS 27: Equity accounting in individual financial statements
- Amendments to IFRS 10 and IAS 28: Sales or contributions of assets between an investor and its associate or joint venture
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception

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 interim condensed 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 have been described in the annual consolidated financial statements.

3. Significant events occurred during the period

<u>Shipping alliances</u>

- *Implementation of OCEAN THREE*

The operational implementation of OCEAN THREE occurred in January 2015, through the successive departure of the first vessels under the new offering of services.

- *Partnership with Hamburg Süd*

In February 2015, the Group signed with Hamburg Süd, a German shipping company, a new partnership agreement to provide the market with competitive and innovative solutions, which will be among the best in terms of coverage, frequency and transit time in North America and South.

<u>Group fleet development</u>

- *Delivery of Kerguelen*

As at March 31, 2015, the Group received the largest vessel of its current fleet, a 17,722 TEU containership named CMA CGM Kerguelen. This vessel joins the fleet linking Europe to Asia. The delivery of the vessel has been financed through the drawdown of a secured debt for an amount of USD 110.9 million, resulting in no major cash impact for the Group.

- *Financing of ICE CLASS*

On March 30, 2015, the Group signed a 12-year financing arrangement in relation to the construction of three 2,500 TEU vessels for a total amount of USD 76.6 million. Such financing, which is not drawn to date, will cover most of the remaining payments due to the shipyards in relation to these vessels.

4. Operating segments

For management purposes, the Group reports two operating segments: container shipping activity, which represented approximately 95% of revenue excluding inter-segment elimination during the three month period ended March 31, 2015, 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, logistics, and transport by rail, road and river.

These segments do not result of an aggregation of operating segments.

Segment performance is evaluated by management based on the following measures:

- Revenue;
- EBIT ("Earnings Before Interests and Taxes").

EBIT corresponds to the line item "Operating profit" presented in the consolidated income statement. EBIT is a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to drive its operating performance. The Company believes that the presentation of EBIT is a relevant aggregate to management for decision making purposes. EBIT is not defined in IFRS and should not be considered as an alternative to Profit / (Loss) for the three month period ended March 31, 2015 or any other financial metric required by such accounting principles. However, in terms of segment reporting, management believes that EBIT is a more relevant aggregate to assess the segment performance as financial result and income tax are not alllocated to segments.

The segment information for the reportable segments for the three month period ended March 31, 2015 and 2014 is as follows:

	Revenue		**EBIT**	
	For the three month period ended March 31,		**For the three month period ended March 31,**	
	2015	**2014**	**2015**	**2014**
Container shipping segment	3,920.8	3,843.7	415.9	182.6
Other activities	188.0	183.4	(9.6)	3.2
Reconciling items & Eliminations	(95.8)	(86.2)	16.6	13.8
Total consolidated measures	**4,013.0**	**3,940.9**	**422.9**	**199.6**

Certain items are unallocated as management considers that they do not affect the recurring operating performance of the Group.

Reconciling items impacting EBIT include (i) the impact of the disposal of property and equipment and subsidiaries (see Note 6) and (ii) other income and expenses (see Note 7).

5. Operating expenses

Operating expenses are analyzed as follows:

	For the three month period ended March 31,	
	2015	**2014**
Bunkers and consumables	(609.7)	(868.8)
Chartering and slots purchases	(452.2)	(427.0)
Handling and stevedoring	(962.6)	(890.3)
Inland and feeder transportation	(440.1)	(415.5)
Port and canal	(282.6)	(274.8)
Container rentals and other logistic expenses	(316.2)	(313.6)
Employee benefits	(287.4)	(293.5)
General and administrative other than employee benefits	(141.2)	(158.0)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(10.6)	(2.4)
Operating exchange gains / (losses), net	29.9	21.4
Other	(50.4)	(51.3)
Operating expenses	**(3,523.1)**	**(3,673.8)**

Operating expenses decreased despite the growth of carried volumes mainly due to the decline in bunker prices.

6. Gains / (Losses) on disposal of property and equipment and subsidiaries

Gains on disposal of property and equipment and subsidiaries consist of the following:

	For the three month period ended March 31,	
	2015	2014
Disposal of vessels	—	2.5
Disposal of containers	(1.1)	17.2
Other fixed assets disposal	0.2	—
Gains / (losses) on disposal of property and equipment and subsidiaries	**(0.9)**	**19.7**

There was no major disposal in the three month period ended March 31, 2015. In the three month period ended March 31, 2014, the Company sold certain containers through sale and operating lease back agreements which generated:

- an increase in cash and cash equivalents amounting to USD 101.1;
- a gain on disposal amounting to USD 17.2 million.

7. Other income and expenses

Other income and expenses can be analyzed as follows:

	For the three month period ended March 31,	
	2015	2014
Impairment of assets	(0.1)	(6.1)
Other	17.7	0.2
Other income and expenses	**17.6**	**(5.9)**

8. NPV benefits related to assets financed by tax leases

As disclosed in Note 2 of the annual consolidated financial statements for the year ended December 31, 2014, 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. In such cases, the Company recognizes the tax benefits as follows:

- 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" 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".

9. Financial result

The financial result is analyzed as follows:

	For the three month period ended March 31,	
	2015	2014
Interests expense on borrowings	(65.2)	(83.7)
Interests income on cash and cash equivalent	6.1	9.0
Cost of borrowings net of interests income on cash and cash equivalent	**(59.1)**	**(74.7)**
Financial cost related to debt restructuring	—	(0.3)
Settlements and change in fair value of derivative instruments	(7.8)	(6.9)
Foreign currency income and expense, net	65.1	0.1
Other financial income and expense, net	14.5	0.1
Other net financial items	**71.8**	**(7.0)**
Financial Result	**12.7**	**(81.7)**

Settlements and change in fair value of derivative instruments reflect the impact, on the portfolio of derivative financial instruments, of the volatility of currencies and interest rates during the periods presented.

Foreign currency income and expense, net is mainly composed of foreign currency exchange gain / (losses) on financial operations due to the translation of borrowings and financial instruments denominated in currencies different from USD (mainly transactions in euros). For the three month ended March 31, 2015, the appreciation of the USD versus EUR rate resulted in significant exchange gains.

10. Income and deferred taxes

Income taxes

	For the three month period ended March 31,	
	2015	**2014**
Current tax	(17.9)	(13.7)
Deferred tax	(4.4)	(1.1)
Income Taxes	**(22.3)**	**(14.8)**

The current tax expense of the three month period ended March 31, 2015 includes USD (0.4) million related to prior year income tax (USD (0.7) million for the three month period ended March 31, 2014).

Deferred taxes

Deferred taxes balances breakdown as follows:

Deferred tax assets	**As at March 31, 2015**	**As at December 31, 2014**
Investment tax credit	0.1	0.1
Tax losses carried forward	10.4	11.2
Retirement benefit obligations	14.2	14.9
Other temporary differences	8.0	8.0
Total deferred tax assets	**32.7**	**34.2**

Deferred tax liabilities	**As at March 31, 2015**	**As at December 31, 2014**
Revaluation and depreciation of property and equipment	15.6	16.4
Undistributed profits from subsidiaries	27.9	28.7
Other temporary differences	13.6	7.9
Total deferred tax liabilities	**57.1**	**53.0**
Total net deferred tax assets / (liabilities)	**(24.4)**	**(18.8)**

	As at March 31, 2015	**As at March 31, 2014**
Net deferred tax at the beginning of the period	**(18.8)**	**(10.6)**
Changes through Profit & Loss	(4.4)	(1.1)
Currency translation adjustment	(1.7)	—
Other variations	0.5	—
Net deferred tax at the end of the period	**(24.4)**	**(11.7)**

Tax losses carried forward mainly relate to losses generated by the activities liable to corporate income tax in France. These tax losses are recognized only to the extent of the level of the corresponding deferred tax liability and the foreseeable taxable profit generated by these activities.

Income tax impacts related to other comprehensive income are presented in the statement of comprehensive income.

11. Goodwill and other intangible assets

Goodwill

The carrying amount of goodwill has been allocated to the following operating segments and cash generating units based on the management structure:

	As at March 31, 2015	As at December 31, 2014
Beginning of the year	**289.7**	**299.8**
Impairment	—	(5.9)
Foreign currency translation adjustment	(3.3)	(4.2)
At the end of the period	**286.4**	**289.7**
of which:		
Allocated to container shipping segment	*280.7*	*283.6*
Allocated to other activities	*5.7*	*6.1*

There was no occurrence of any indication of impairment for the three month period ended March 31, 2015. Goodwill have been tested for impairment end of 2014 and no impairment charge has been recognized.

Other intangible assets

Other intangible assets mainly correspond to the currently used information systems and to the new information system currently being developed. During the three month period, the capitalized costs of the future system amounted to USD 13.0 million.

12. Property and equipment

Property and equipment are analyzed as follows:

	As at March 31, 2015	As at December 31, 2014
Vessels		
Cost	7,600.6	7,498.0
Cumulated depreciation	(1,585.3)	(1,523.6)
	6,015.3	**5,974.4**
Containers		
Cost	910.5	919.9
Cumulated depreciation	(377.6)	(375.0)
	532.9	**544.9**
Lands and buildings		
Cost	606.1	672.1
Cumulated depreciation	(127.1)	(131.9)
	479.0	**540.2**
Other properties and equipments		
Cost	273.4	282.4
Cumulated depreciation	(166.0)	(171.6)
	107.4	**110.8**
Total		
Cost	**9,390.6**	**9,372.4**
Cumulated depreciation	**(2,256.0)**	**(2,202.1)**
Property and equipment	**7,134.6**	**7,170.3**

As at March 31, 2015, assets held under capital leases, tax lease agreements and other similar arrangements included in the above table represented a cost of USD 2,395.8 million (USD 2,418.6 million as at December 31, 2014) and a cumulated depreciation of USD 434.7 million (USD 423.1 million as at December 31, 2014).

Variations in the cost of property and equipment for the three month period ended March 31, 2015 and the year ended December 31, 2014 are analyzed as follows:

As at March 31, 2015 the Company operates 79 vessels owned or under finance lease or equivalent agreements (79 as at December 31, 2014). At the balance sheet date, 8 vessels are in the orderbook (9 vessels as at December 31, 2014).

In 2014, the line item “exercise of purchase option” is linked to the transfer from leased to owned vessels of the cost of three vessels for USD 411.4 million following the exercise of the purchase option included in the related finance lease.

Purchases of property and equipment amounted to USD 122.7 million in 2015 (USD 317.2 million in 2014), none of which being financed through capital leases or similar arrangements (USD 2.1 million as at December 31, 2014).

Borrowing costs capitalized in 2015 amounted to USD 4.4 million (USD 11.9 million for the year ended December 31, 2014).

Variations in the accumulated depreciation for the three month period ended March 31, 2015 and the year ended December 31, 2014 are analyzed as follows:

	Vessels						
	Owned	Leased	In-progress	Containers	Lands and buildings	Other properties and equipments	Total
As at January 1, 2014	**(953.7)**	**(323.6)**	**—**	**(393.2)**	**(119.1)**	**(176.0)**	**(1,965.6)**
Depreciation	(185.5)	(82.6)	—	(45.2)	(22.9)	(21.6)	**(357.8)**
Acquisitions of subsidiaries	—	—	—	—	(0.8)	(1.9)	**(2.7)**
Disposals	16.8	—	—	63.0	—	12.6	**92.4**
Impairment	(6.0)	—	—	—	—	—	**(6.0)**
Reclassification to assets held-for-sale	5.4	—	—	—	—	—	**5.4**
Exercise of purchase option	(72.1)	72.1	—	—	—	—	**—**
Foreign currency translation adjustment	0.9	4.7	—	0.4	10.9	15.3	**32.2**
As at December 31, 2014	**(1,194.2)**	**(329.4)**	**—**	**(375.0)**	**(131.9)**	**(171.6)**	**(2,202.1)**
Depreciation	(46.9)	(19.5)	—	(11.1)	(4.9)	(5.8)	**(88.2)**
Acquisitions of subsidiaries	—	—	—	—	—	(0.1)	**(0.1)**
Disposals	—	—	—	8.2	—	0.9	**9.1**
Foreign currency translation adjustment	1.1	3.6	—	0.3	9.7	10.6	**25.3**
As at March 31, 2015	**(1,240.0)**	**(345.3)**	**—**	**(377.6)**	**(127.1)**	**(166.0)**	**(2,256.0)**

Including intangible assets, the total depreciation for the three month period ended March 31, 2015 amounts to USD 98.0 million (401.1 for the year ended December 31, 2014).

The net book value of property and equipment at the opening and closing of each period presented are analyzed as follows:

	Vessels						
	Owned	Leased	In-progress	Containers	Lands and buildings	Other properties and equipments	Total
As at March 31, 2015	3,959.4	1,809.7	246.2	532.9	479.0	107.4	**7,134.6**
As at December 31, 2014	3,847.8	1,834.3	292.3	544.9	540.2	110.8	**7,170.3**
As at January 1, 2014	3,678.3	2,261.2	181.0	605.1	620.4	119.4	**7,465.4**

The net book value of the containers as at March 31, 2015 includes USD 117.3 million related to containers under finance leases (USD 124.3 million as at December 31, 2014).

Vessels ordered

As disclosed in Note 3, the Company took delivery of its largest vessel on March 31, 2015, the CMA CGM Kerguelen. The Company also signed an agreement with a shipyard to cancel 8 old orders and replace them by a new order of three 20,600 TEU vessels to be delivered in 2017 (see Note 23).

As a result, as at the date of the approval of these interim condensed consolidated financial statements, the Company has 11 vessels in its orderbook, corresponding to two 17,700 TEU container vessels (formerly 16,000 TEU container vessels which have been upgraded), three 2,100 TEU vessels, three 2,500 TEU vessels and the new order of three 20,600 TEU vessels.

Prepayments made to shipyards relating to vessels under construction are presented within "Vessels" and amount to USD 312.2 million as at March 31, 2015 (USD 292.3 million as at December 31, 2014).

13. Investments in associates and joint ventures

Investments in associates and joint ventures are presented as follows:

	As at March 31, 2015	As at December 31, 2014
Beginning of the year	**686.1**	**722.7**
Transfer of carrying value of newly controlled entities	—	(5.8)
New investments in associates and joint ventures	—	7.1
Disposal	—	(0.8)
Share of (loss) / profit	3.1	5.7
Dividends received	(8.7)	(20.3)
Other comprehensive income	0.1	(1.1)
Reclassification from / to other items	(1.5)	1.1
Foreign currency translation adjustment	(14.0)	(22.5)
At the end of the period	**665.1**	**686.1**

The line item "Share of (loss) / profit" corresponds to the Company's share in the profit or loss of its associates and joint ventures.

The significant judgements and assumptions made in determining the nature of interests in significant associates and joint ventures, as well as the additional disclosures required under IFRS 12 have been presented in the 2014 annual consolidated financial statements.

The main contributors to investments in associates and joint ventures are (i) Terminal Link Group for USD 405.4 million (USD 421.0 million as at December 31, 2014) and (ii) Global Ship Lease for USD 201.8 million (USD 201.5 million as at December 31, 2014).

14. Derivative financial instruments

Derivative financial instruments are analyzed as follows:

	As at March 31, 2015		As at December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Interest swaps—cash flow hedge	—	75.0	—	81.0
Interest swaps—not qualifying to hedge accounting	5.7	6.2	6.8	7.1
Currency forward contracts	0.1	—	0.1	—
Total derivative financial instruments	**5.8**	**81.2**	**6.9**	**88.1**
of which non-current portion (greater than 1 year)	*3.3*	*54.5*	*3.0*	*55.2*
of which current portion (less than 1 year)	*2.5*	*26.7*	*3.9*	*32.9*

15. Other non-current financial assets

Other non-current financial assets are analyzed as follows:

	As at March 31, 2015	As at December 31, 2014
Investments in non consolidated companies		
Gross	80.9	82.8
Impairment	(5.9)	(6.0)

	As at March 31, 2015	As at December 31, 2014
	75.0	**76.8**
Loans		
Gross	104.1	111.2
Impairment	(57.0)	(59.4)
	47.1	**51.8**
Deposits		
Gross	335.1	319.7
Impairment	—	—
	335.1	**319.7**
Receivable from associates		
Gross	15.8	16.3
Impairment	—	—
	15.8	**16.3**
Other financial assets		
Gross	182.6	361.4
Impairment	(0.5)	(168.7)
	182.1	**192.7**
Total other non-current financial assets		
Gross	718.5	891.4
Impairment	(63.4)	(234.1)
Total other non-current financial assets, net	**655.1**	**657.3**

Change in loans and deposits is presented within "Variation in other financial assets" in the consolidated cash flow statement.

Investments in non consolidated companies

This line item consists of shares in Rotterdam World Gateway BV for USD 47.3 million in which the Company has a 10% shareholding as well as other entities individually not significant.

Loans

"Loans" mainly relates to funds borrowed by certain terminal joint venture.

Deposits

Included in "Deposits" are mainly:

- USD 142.5 million as at March 31, 2015 (USD 143.9 million as at December 31, 2014) of cash deposited in escrow accounts in relation to certain loan-to-value provisions in financing agreements; and
- USD 122.0 million as at March 31, 2015 (USD 105.3 million as at December 31, 2014) of cash deposits which do not qualify as cash and cash equivalents

Other financial assets

As at March 31, 2015, "Other financial assets" mainly include USD 169.6 million (USD 178.8 million as at December 31, 2014) of financial tax benefit to be received at the maturity of the tax financing period.

As at December 31, 2014, "other financial items" also included the prepayments paid and other capitalized costs related to vessel orders cancelled for a total amount of USD 168.1 million. The full amount of such prepayments was impaired. Following a settlement agreement with the shipyard, such prepayment and related impairment have been reversed in the three month period ended March 31, 2015 (see Note 23).

16. Working Capital

The working capital can be analyzed as follows:

	As at December 31, 2014	Cash variations	Currency translation adjustment	Others	As at March 31, 2015
Inventories	384.4	(61.2)	(1.6)	—	321.6
Trade and accounts receivable (*)	2,398.3	(12.2)	(102.6)	(11.0)	2,272.5
Trade and other payables (**)	(2,748.2)	(17.0)	74.1	(6.2)	(2,697.3)
Net working capital	**34.5**	**(90.4)**	**(30.1)**	**(17.2)**	**(103.2)**

(*) including current income tax asset

(**) including current income tax liability

Trade and other receivables are analyzed as follows:

	As at March 31, 2015	As at December 31, 2014
Trade receivables	1,862.6	1,958.7
Less impairment of trade receivables	(85.3)	(82.9)
Trade receivables net	**1,777.3**	**1,875.8**
Prepayments	54.9	77.1
Other receivables, net	329.8	344.3
Employee, social and tax receivables	110.5	101.1
Trade and other receivables (*)	**2,272.5**	**2,398.3**

(*) including current income tax asset

Trade and other payables are analyzed as follows:

	As at March 31, 2015	As at December 31, 2014
Trade payables	1,004.2	1,043.2
Employee, social and tax payables	180.3	194.1
Other payables (mainly accruals for port call expenses, transportation costs, handling services)	1,512.8	1,510.9
Trade and other payables (*)	**2,697.3**	**2,748.2**

(*) including current income tax liability

Other payables include an amount payable in euros of USD 42.8 million owed to Merit Corporation, a related party (USD 49.2 million as at December 31, 2014). This payable bears interest at 7% per annum and mainly corresponds to dividends declared by the Company in 2007 and 2008 but which have not been paid yet.

Prepaid expenses and deferred income

Prepaid expenses, which include voyages in progress at year-end, amount to USD 297.5 million (USD 249.4 million as at December 31, 2014). Current deferred income which mainly includes the same voyages in progress, amounts to USD 558.1 million (USD 644.0 million as at December 31, 2014).

17. Securities and other current financial assets

Securities and other current financial assets as at March 31, 2015 include securities at fair value for an amount of USD 12.2 million (USD 13.4 million as at December 31, 2014) and other current financial assets for an amount of USD 85.5 million (USD 63.7 million as at December 31, 2014).

18. Cash and cash equivalents

	As at March 31, 2015	As at December 31, 2014
Cash on hand	984.3	921.0
Short term deposits	1,224.7	1,253.7
Restricted cash	9.7	11.8
Net cash and cash equivalents as per balance sheet	**2,218.7**	**2,186.5**
Bank overdrafts	(314.3)	(444.8)
Net cash and cash equivalents as per cash flow statement	**1,904.4**	**1,741.7**

"Restricted cash" includes margin calls related to the Company's derivative financial instruments amounting to USD 2.8 million as at March 31, 2015 (USD 3.0 million as at December 31, 2014). These amounts are called periodically by financial counterparts in accordance with the Company's standard International Swaps and Derivatives Association (ISDA) agreements.

19. Borrowings

Borrowings are presented below and include bank overdrafts, long-term bank borrowings, finance leases and similar arrangements and have the following maturities:

	As at March 31, 2015	Reimbursement date: March 31,					
		2016	2017	2018	2019	2020	Onwards
Senior notes	**1,078.4**	19.3	19.2	414.7	318.0	307.2	—
Bonds redeemable in shares	**259.3**	61.8	69.3	82.5	13.8	15.2	16.7
Bank borrowings	**1,755.5**	359.8	228.3	258.3	239.4	135.3	534.4
Obligations under finance leases	**875.3**	105.0	122.6	96.1	98.5	90.0	363.1
Bank overdrafts	**314.3**	314.3	—	—	—	—	—
Securitization program	**835.2**	(1.8)	(1.9)	838.9	—	—	—
Other borrowings	**94.8**	84.0	2.3	1.8	1.7	0.7	4.3
Total	**5,212.8**	942.4	439.8	1,692.3	671.4	548.4	918.5

Variations in borrowings can be analyzed as follows:

	Senior notes	Bonds redeemable in shares	Bank borrowings	Obligations under finance leases	Bank overdrafts	Securitization program	Other borrowings	Total
Balance as at January 1, 2015	**1,163.2**	**259.3**	**1,813.7**	**898.0**	**444.8**	**845.2**	**55.9**	**5,480.1**
Proceeds from new borrowings	—	—	110.5	—	—	20.0	0.1	130.6
Repayment of financial borrowings, net of proceeds from refinancing	(6.4)	—	(138.3)	(12.6)	—	—	(0.1)	(157.4)
Other decrease in borrowings	—	—	—	—	(130.0)	—	—	(130.0)
Accrued interests and fees amortizatio n	0.4	—	1.7	—	—	0.4	39.8	42.4
Foreign currency translation adjustments	(78.8)	—	(32.1)	(10.1)	(0.5)	(30.4)	(0.9)	(152.8)
Balance as at March 31, 2015	**1,078.4**	**259.3**	**1,755.5**	**875.3**	**314.3**	**835.2**	**94.8**	**5,212.8**

Borrowings are related to the following assets and their respective average interest rates are as follows:

	Senior notes	Bonds redeemable in shares	Bank borrowings	Obligations under finance leases	Other borrowings, securitization and overdrafts	Average Interest rate before hedging and amortized cost
Vessels	74.0	—	1,344.7	780.9	—	4.90%
Containers	—	—	111.1	55.1	—	4.74%
Land and buildings	—	—	167.7	6.8	—	1.31%
Handling	—	—	—	6.3	—	4.49%
Other tangible assets	—	—	107.2	26.2	—	5.06%
General corporate purposes	1,004.4	259.3	24.8	—	1,244.3	5.55%
Total	**1,078.4**	**259.3**	**1,755.5**	**875.3**	**1,244.3**	

Bonds redeemable in shares

As a consequence of the coupon payments on bonds redeemable in shares, the Company records:

- a financial expense based on the market rate used to determine the liability component of these instruments; and
- a reduction in borrowings for the residual amount paid.

Other borrowings

As at March 31, 2015, other borrowings include USD 72.7 million of accrued interests (USD 32.9 million as at December 31, 2014).

20. Provisions, retirement benefit obligations and contingent liabilities

Provisions are analyzed as follows:

	Employee benefits	Litigation	Other risks and obligations	Total	*of which current portion*
As at January 1, 2014	**119.0**	**80.4**	**141.9**	**341.3**	***25.5***
Additions for the year	16.5	16.6	65.6	**98.7**	
Reversals during the year (unused)	(0.5)	—	(0.6)	**(1.1)**	
Reversals during the year (used)	(10.2)	(12.5)	(55.2)	**(77.9)**	
Reclassification to / from other liabilities	4.2	—	—	**4.2**	
Actuarial gain / loss recognized in the OCI	13.2	—	—	**13.2**	
Foreign currency translation adjustment	(15.0)	(1.5)	(11.1)	**(27.6)**	
As at December 31, 2014	**127.2**	**83.0**	**140.6**	**350.8**	***19.7***
Additions for the year	3.8	1.9	2.4	**8.1**	
Reversals during the year (unused)	—	—	(20.0)	**(20.0)**	
Reversals during the year (used)	(2.9)	(8.0)	(11.9)	**(22.8)**	
Actuarial (gain) / loss recognized in the OCI	5.7	—	—	**5.7**	
Foreign currency translation adjustment	(5.3)	(1.1)	(13.3)	**(19.7)**	
As at March 31, 2015	**128.5**	**75.8**	**97.8**	**302.1**	***18.7***

20.1 Provisions related to employee benefits

The detailed disclosures related to provision for employee benefits have been presented in the annual consolidated financial statements.

The situation of interest rates in the Euro zone resulted in decreasing the discount rate used to evaluate the Company's liability regarding pension and employee benefits by 50 basis points. Mainly as a result of this change in discount rate, the Company recorded a loss of USD 5.7 million in other comprehensive income.

20.2 Provisions for litigation and other risks and obligations

Litigation

The provision for litigation as at March 31, 2015 corresponds to cargo related and other claims incurred in the normal course of business (same as at December 31, 2014). None of these claims taken individually represents a significant amount.

Other risks and obligations

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 in June 2013, which amounts to USD 79.8 million (USD 103.3 million as at December 31, 2014), down USD 23.5 million as a consequence of the payment occurred in the three month period ended March 31, 2015, the impact of foreign currency translation and unwinding of discount.

20.3 Contingent liabilities

The Company is involved in a number of legal and tax disputes in certain countries. Some of these may involve significant amounts, the outcome of which being subject to a high level of uncertainty.

The main contingent liabilities are as follows:

Formal investigation 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 other shipping companies, is part of these investigations.

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 fully cooperates with the European Commission.

Legal proceedings initiated by Mistral (Holding) SAL before the courts in Syria

In September 2000, a settlement agreement was signed between Mr Jacques R. Saadé and Mr Johnny Saadé, personally and on behalf of their respective companies ending many years of dispute and legal proceedings related to the sale by Mistral (Holding) SAL of its interest in CMA CGM S.A.

As from 2004, Mr Johnny Saadé, CEO of Mistral (Holding) SAL has initiated various civil and commercial legal proceedings before Lebanese and French courts to seek a ruling that the above mentioned settlement agreement was null and void. All such actions have been rejected by civil and commercial jurisdictions in France and by civil courts in Beirut, Lebanon, up to their highest level of jurisdiction.

In 2013, Mistral (Holding) SAL has decided to initiate new legal proceedings before the courts in Syria, notwithstanding any link to the territory of Syria. Judgments, which ignored previous contrary decisions rendered in Lebanon and France, were rendered in 2013 and 2014 in favour of Mistral (Holding) SAL by the Syrian Courts.

On May 14, 2015, the Plenary Assembly ("Assemblée Plénière") of the Syrian Supreme Court (i) decided the annulment of the judgment rendered on December 14, 2014 by the Syrian Court of Cassation against Mr. Jacques Saadé, CMA CGM SA, Merit Corporation SAL and the other defendants (ii) rejected irrevocably the original legal action from Mistral on the basis of lack of legal ground.

This decision is consistent with legal advices obtained by the Company and confirms the previous accounting position taken, no provision being recorded in the interim condensed consolidated financial statements as at March 31, 2015.

21. Commitments

Except for new commitments disclosed in Note 3 and Note 23, no other significant commitment has been entered into since the information disclosed in the 2014 annual consolidated financial statements.

22. Related party transactions

On March 31, 2015, the Company paid an interim dividend to its shareholders for an amount of USD 40.0 million.

No other new significant transaction has been entered into with related parties since the information disclosed in the 2014 annual consolidated financial statements.

23. Post balance sheet events

Group fleet development

On April 2, 2015, the Company signed a settlement agreement with a shipyard, by which the parties have agreed (i) to settle all their disputes arising out of certain shipbuilding contracts entered into on 2007 and 2008 and consider that the settlement achieved is in the mutual interests of the parties (see Note 15), and (ii) to formalize a new order of three 20,600 TEU vessel to be delivered in 2017.

Closing Kingston

On April 7, the Company signed an agreement with the Port Authority of Jamaica (Jamport) for a 30-year concession of Kingston Container Terminal. Kingston is a strategic location regarding the widening of the Panama Canal, expected to be completed in 2016, which will allow to deploy larger vessels up to 12,600 TEUs. As part of this agreement, the Company committed to pay a certain level of fixed and variable concession fees.

Closing LCL

On April 29, 2015, the Company announced that it took a strategic stake in the 25-years old company LCL Logistix, one of India's logistics leaders. The Company reinforces its position in India and will leverage LCL Logistix's Indian network as well as its presence in Canada, in the United States and in East Africa to accelerate its development. The

investment was made through CMA CGM Logistics France, the wholly owned subsidiary of the Group specialized in forwarding and logistics solutions.

Rating

On May 12, 2015, the international rating agency Moody’s revised the Group’s corporate credit rating upwards from B2 “positive outlook” to B1 “stable outlook”.

703021.5

KPMG Audit
Division of KPMG S.A.
480 avenue du Prado
CS 90021
13272 Marseille Cedex 08

Deloitte & Associés
Les Docks – Atrium 10.4
10 place de la Joliette
13002 Marseille

CMA CGM S.A.

4 Quai d'Arenc
13002 Marseille

Statutory Auditor's report on the consolidated financial statements

For the year ended December 31, 2014

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Statutory Auditor's report on the consolidated financial statements

For the year ended December 31, 2014

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of CMA CGM S.A.;
- the justification of our assessments;
- 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, 2014 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:

Note 2.3 “Significant accounting judgments, estimates and assumptions” and Note 2.4 “Summary of significant accounting policies—Goodwill and Business Combinations” to the consolidated financial statements disclose the significant accounting judgements, estimates and assumptions adopted by management. These significant estimates mainly relate to assumptions used for the impairment testing of non-financial assets, determining the useful lives and residual values of the vessels and measuring deferred tax assets, financial instruments, demurrage receivables and accruals for port call expenses, transportation costs and handling services and provision for risks and impairment of prepayments related to the cancellation of vessels orders.

Our procedures consisted in assessing the data and assumptions underlying these judgements and estimates, reviewing, using sampling techniques, the calculations performed by the company and verifying the appropriateness of disclosures provided in the notes to the consolidated financial statements on the assumptions and options adopted by the company.

As indicated in Note 2.3 to the consolidated financial statements, these estimates are based on assumptions that are by nature uncertain, actual results may sometimes differ significantly from forecast data 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 27, 2015
The Statutory Auditors
French original signed by

KPMG Audit
Division of KPMG S.A.

Georges Maregiano
Partner

Deloitte & Associés

Vincent Gros
Partner

CONSOLIDATED FINANCIAL STATEMENTS

* *
*

Year ended December 31, 2014

Consolidated Income Statement
For the year ended December 31, 2014

(in USD million, except for earnings per share)

	Note	For the year ended December 31, 2014	2013
REVENUE	(5)	16,739.1	15,901.5
Operating expenses	(6)	(15,449.3)	(14,877.9)
OPERATING PROFIT BEFORE GAINS ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES, DEPRECIATION & AMORTIZATION, etc.		**1,289.7**	**1,023.6**
Gains on disposal of property and equipment and subsidiaries	(8)	27.9	343.8
Depreciation and amortization of non-current assets	(14) & (15)	(401.1)	(423.4)
Other income and expenses	(9)	(83.5)	(123.0)
Net present value (NPV) benefits related to assets financed by tax leases	(10)	78.9	136.9
OPERATING PROFIT BEFORE SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES		**911.9**	**957.9**
Share of profit of associates and joint ventures	(16)	5.7	18.8
OPERATING PROFIT AFTER SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES		**917.6**	**976.7**
	(5)		
Interests expense on borrowings		(310.2)	(345.3)
Interests income on cash and cash equivalent		32.0	17.8
Other net financial items		56.3	(117.8)
FINANCIAL RESULT	(11)	**(221.9)**	**(445.3)**
PROFIT BEFORE TAX		**695.7**	**531.4**
Income taxes	(12)	(84.1)	(100.9)
PROFIT FOR THE YEAR		**611.6**	**430.5**
of which:			
NON CONTROLLING INTERESTS		28.0	22.6
OWNERS OF THE PARENT		**583.6**	**407.9**
Earnings per share basic and diluted attributable to the owners of the parent company (in USD)		*40.9*	*29.4*

The accompanying notes are part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2014

(in USD million)

	For the year ended December 31,	
	2014	2013
PROFIT FOR THE YEAR	**611.6**	**430.5**
Other comprehensive income reclassifiable to Profit and Loss		
Cash flow hedges:		
Gains / (losses) arising during the year	7.7	2.0
Recycling to the income statement	—	(16.5)
Currency translation adjustment related to foreign subsidiaries, associates and joint ventures	(75.9)	21.0
Share of other comprehensive income of associates, net of tax	(0.3)	0.1
Other comprehensive income non reclassifiable to Profit and Loss		
Remeasurment of defined benefit pension plans (see Note 28)	(13.3)	3.0
Remeasurment of defined benefit pension plans of associates	(0.8)	0.7
Tax on other comprehensive income non reclassifiable to Profit and Loss	2.2	—
Total other comprehensive income, net of tax	**(80.4)**	**10.3**
Total comprehensive income for the year, net of tax	**531.2**	**440.8**
Of which:		
Non-controlling interests	26.4	21.9
Owners of the parent company	**504.8**	**418.9**

The accompanying notes are part of the consolidated financial statements.

Consolidated Balance Sheet—Assets
As at December 31, 2014

(in USD million)

	Note	As at December 31, 2014	As at December 31, 2013
Goodwill	(13)	289.7	299.8
Other intangible assets	(14)	222.4	204.0
INTANGIBLE ASSETS		**512.1**	**503.8**
Vessels	(15)	5,974.4	6,120.5
Containers	(15)	544.9	605.1
Lands and buildings	(15)	540.2	620.4
Other properties and equipments	(15)	110.8	119.4
PROPERTY AND EQUIPMENT	(15)	**7,170.3**	**7,465.4**
Deferred tax assets	(12)	34.2	40.8
Investments in associates and joint ventures	(16)	686.1	722.7
Non-current derivative financial instruments	(17)	3.0	3.8
Other non-current financial assets	(18)	657.3	891.9
NON-CURRENT ASSETS		**9,063.0**	**9,628.4**
Inventories	(20)	384.4	473.7
Trade and other receivables	(21)	2,382.7	2,288.8
Current income tax asset	(21)	15.6	16.4
Current derivative financial instruments	(17)	3.9	4.9
Securities and other current financial assets	(22)	77.1	221.8
Cash and cash equivalents	(23)	2,186.5	1,410.4
Prepaid expenses	(24)	249.4	184.5
Assets classified as held-for-sale	(25)	0.5	47.5
CURRENT ASSETS		**5,300.1**	**4,648.0**
TOTAL ASSETS		**14,363.1**	**14,276.4**

The accompanying notes are part of the consolidated financial statements.

Consolidated Balance Sheet—Liabilities & Equity
As at December 31, 2014

(in USD million)

	Note	As at December 31, 2014	As at December 31, 2013
Share capital		169.2	169.2
Reserves and retained earnings		4,202.4	3,914.9
Profit for the year attributable to the equity owners of the parent company		583.6	407.8
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		**4,955.2**	**4,491.9**
Non-controlling interests		40.1	49.2
TOTAL EQUITY		**4,995.3**	**4,541.1**
Non-current borrowings	(27)	4,409.4	4,823.2
Non-current derivative financial instruments	(17)	55.2	76.7
Deferred tax liabilities	(12)	53.0	51.4
Provisions and retirement benefit obligations	(28)	331.1	315.8
Non-current deferred income		3.6	6.8
NON-CURRENT LIABILITIES		**4,852.3**	**5,273.9**
Current borrowings	(27)	1,070.7	932.3
Current derivative financial instruments	(17)	32.9	40.1
Current portion of provisions	(28)	19.7	25.5
Trade and other payables	(21)	2,720.2	2,812.9
Current income tax liability	(21)	28.0	20.5
Current deferred income	(24)	644.0	600.6
Liabilities associated with assets classified as held-for-sale	(25)	—	29.5
CURRENT LIABILITIES		**4,515.5**	**4,461.4**
TOTAL LIABILITIES & EQUITY		**14,363.1**	**14,276.4**

The accompanying notes are part of the consolidated financial statements.

Consolidated Statement of changes in Equity
As at December 31, 2014 and 2013

(in USD million)

	Attributable to the equity owners of the parent						
		Reserves, retained earnings and profit for the year					
	Share capital (*)	Bonds redeemable in shares	Premium, legal reserves, profit for the year and other comprehensive income reclassifiable to profit and loss	Other comprehensive income non reclassifiable to profit and loss	TOTAL	Non-controlling interests	Total Equity
Balance as at January 1, 2013	**169.2**	**218.7**	**3,640.0**	**(38.3)**	**3,989.7**	**49.7**	**4,039.4**
Profit for the year	—	—	407.8	—	**407.8**	22.6	**430.5**
Other comprehensive income, net of tax	—	—	2.9	8.1	**11.0**	(0.8)	10.2
Total comprehensive income for the year	**—**	**—**	**410.7**	**8.1**	**418.8**	**21.9**	**440.7**
Equity component of bonds redeemable in shares (see Note 4)	—	112.9	—	—	**112.9**	—	**112.9**
Transaction with non-controlling interests	—	—	(2.3)	(2.2)	**(4.6)**	(3.6)	**(8.2)**
Dividends	—	—	(25.0)	—	**(25.0)**	(18.7)	**(43.7)**
Balance as at January 1, 2014	**169.2**	**331.6**	**4,023.4**	**(32.3)**	**4,491.9**	**49.2**	**4,541.1**
Profit for the year	—	—	583.6		**583.6**	28.0	**611.6**
Other comprehensive income, net of tax	—	—	(12.5)	(66.3)	**(78.8)**	(1.6)	(80.4)
Total comprehensive income for the year	**—**	**—**	**571.1**	**(66.3)**	**504.8**	**26.4**	**531.2**
Transaction with non-controlling interests	—	—	(2.0)	0.5	**(1.5)**	(8.4)	**(9.9)**
Dividends	—	—	(40.0)	—	**(40.0)**	(27.1)	**(67.1)**
Total transactions with Shareholders	**—**	**—**	**(42.0)**	**0.5**	**(41.5)**	**(35.5)**	**(77.0)**
Balance as at December 31, 2014	**169.2**	**331.6**	**4,552.5**	**(98.1)**	**4,955.2**	**40.1**	**4,995.3**

(*) The share capital is composed of 10,578,357 shares (see Note 26).

The accompanying notes are part of the consolidated financial statements.

Consolidated Cash Flow Statement
For the year ended December 31, 2014

(in USD million)

	Note	For the year ended December 31, 2014	2013
Profit for the year		**611.6**	**430.5**
Reconciliation of profit for the period to cash generated from operations:			
—Depreciation and amortization	(15)	401.1	423.4
—Net present value (NPV) benefits related to assets financed by tax leases	(10)	(78.9)	(136.8)
—Other income and expense	(9)	83.5	123.0
—(Increase) / Decrease in provisions		9.9	31.9
—Loss / (Gains) on disposals of property and equipment and subsidiaries	(8)	(27.9)	(343.8)
—Share of (Income) from associates and joint ventures	(16)	(5.7)	(18.8)
—Interest expenses on net borrowings		292.7	373.5
—Income tax	(12)	84.1	100.9
—Prepaid expenses and deferred income		(17.9)	2.7
—Other non cash items		(42.0)	55.6
Changes in working capital	(21)	**(141.1)**	**4.1**
Cash flow from operating activities before tax		**1,169.4**	**1,046.2**
—Income tax paid		(68.8)	(62.2)
Cash flow from operating activities net of tax		**1,100.6**	**984.0**
Purchases of intangible assets		(53.2)	(25.2)
Purchases / disposals of subsidiaries, net of cash acquired / divested		5.4	514.3
Purchases of property and equipment		(314.5)	(248.9)
Proceeds from disposal of property and equipment		193.9	173.6
Proceeds from disposal of assets classified as held-for-sale		50.0	8.7
Dividends received from associates and joint ventures		13.5	17.8
Variation in other financial assets		50.9	120.9
Variation in securities		209.6	(216.8)
Net cash provided by investing activities		**155.6**	**344.4**
Issuance of bonds redeemable in shares		—	250.0
Dividends paid to the owners of the parent company and non-controlling interest		(64.9)	(62.3)
Proceeds from bank borrowings, net of issuance costs		309.4	958.0
Repayments of bank borrowings		(577.0)	(1,155.9)
Principal repayments on finance leases		(135.5)	(187.2)
Decrease in liabilities associated with assets held-for-sale		(29.5)	(6.3)
Interest paid on net borrowings		(302.0)	(380.9)
Refinancing of assets		—	73.1
Other financing fees and interests		(16.4)	(72.7)
Net cash used for financing activities		**(815.9)**	**(584.2)**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(28.1)	2.9
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**412.2**	**747.1**
Cash and cash equivalents and bank overdrafts at the beginning of the year		**1,329.5**	**582.4**
Cash and cash equivalents as per balance sheet		2,186.5	1,410.4
Bank overdrafts		(444.8)	(80.9)
Cash and cash equivalents and bank overdrafts at the end of the year	(23)	**1,741.7**	**1,329.5**
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**412.2**	**747.1**
Supplementary information: non cash investing or financing activities:			
—Assets acquired through finance leases or equivalents		*2.2*	*322.9*
Supplementary information:			
—Financial income received		*32.5*	*15.8*
—Financial expenses paid		*(334.5)*	*(391.7)*

The accompanying notes are part of the consolidated financial statements.

Notes to the 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, 2014 were approved by the Board of Directors on March 27, 2015. The annual general meeting of CMA CGM SA will be held on May 22, 2015.

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, securities 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.

Statement of compliance

The consolidated financial statements of CMA CGM have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 as at December 31, 2014.

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"). The functional currency of the shipping activities is U.S. Dollars. This means that, among other things, the carrying amounts of property, plant and equipment and intangible assets and, hence, depreciation and amortization are maintained in USD from the date of acquisition. For other activities, the functional currency is generally the local currency in the country in which such activities are performed.

All values are rounded to the nearest million (USD 000,000) with a decimal unless otherwise indicated.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control.
The control over an entity is effective only if the following elements are reached:

- power, i.e. the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns);
- exposure, or rights, to variable returns from its involvement with the entity;
- the ability to use its power over the entity to affect the amount of the investor's returns.

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. They are presented within equity and in the income statement, respectively 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.

Interests in joint operation, joint venture & significant influence

Companies on which the Group has no control alone can be part of a joint arrangement. A joint arrangement is defined as an arrangement of which two or more parties have joint control.

Joint control exists when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. The requirement for unanimous consent means that any party with joint control of the arrangement can prevent any of the other parties, or a group of the parties, from making unilateral decisions (about the relevant activities) without its consent.

A joint arrangement can be either a joint operation or a joint venture.

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

An entity accounted as a joint operation recognises its interests as follows:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output of the joint operation;
- its expenses, including its share of any expenses incurred jointly.

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venturer recognises its interest in a joint venture as an investment and shall account for that investment using the equity method (in accordance with IAS 28 Investments in Associates and Joint Ventures).

The significant influence is the power to participate in the financial and operating policy decisions of the investee without granting control or joint control on the investee:

- A party that participates in, but does not have joint control of a joint venture, accounts for its interest in the arrangement in accordance with IAS 39,
- unless it has significant influence over the joint venture, in which case it accounts for it in accordance with IAS 28.

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 equity interests is presented in the line item "Investments in associates and joint ventures" on the balance sheet.

"Share of profit of associates and joint ventures" is presented within "Operating profit after share of profit of associates and joint ventures" 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, financial income and expense and income tax related to associates and joint ventures.

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 no longer accounted for under the equity method and is valued at fair value (accounted for available-for-sale financial assets).

2.2 Change in accounting policies and new accounting policies

The accounting policies adopted in the preparation of these consolidated financial statements have been applied consistently with those described in the annual financial statements for the year ended December 31, 2013, except as outlined in the paragraphs below.

Adoption of new and amended IFRS and IFRIC interpretations from January 1, 2014

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning after January 1, 2014:

- IFRS 10: Consolidated Financial Statements (replacement of IAS 27 revised)

IFRS 10 introduces a new control model focusing on whether the Company has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

In accordance with the transitional provisions of IFRS 10, Management reassessed the control conclusion for its investees and concluded that the application of this standard resulted in no change in the consolidation scope.

- IFRS 11: Joint arrangements (replacement of IAS 31)

IFRS 11 focuses on the classification of the interests in joint arrangements either as joint operations or joint ventures. It depends on the Company's rights to the assets and obligations for the liabilities of the arrangements. IFRS 11 removes the option to account for jointly-controlled entities using the proportionate consolidation method. Instead entities that are defined as joint ventures must be accounted for using the equity method.

Since the transition to IFRS, the Company has been following the equity method of accounting for all its jointly controlled entities.

Management reassessed the classification of its interests in joint arrangements either as joint operations or joint ventures and concluded that the application of this standard resulted in no change in the consolidation scope.

- IFRS 12: Disclosure of interests in other entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements and the disclosures included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

Following the application of this new standard, the Company has reviewed the level of disclosure of its interests in subsidiaries, joint arrangements and associates and implemented these new disclosure requirements in these annual consolidated financial statements (see Note 16).

- Amendments to IAS 32: Financial Instruments: Presentation

The amendments to the disclosure requirements in "IFRS 7 Financial Instruments: Disclosure" require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32.

These amendments did not have a major impact on the Company's financial position and performance.

- Amendments to IAS 36: Impairment of Assets

These amendments were adopted by the EU regulation n°1374/2013 as at December 18, 2013.

When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets. The scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

These amendments did not have a major impact on the Company's financial position and performance.

- Amendments to IAS 39: Financial Instruments: Recognition and Measurement

Under the amendments there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. The amendments are effective for annual periods beginning on or after January 1, 2014.

The adoption of these amendments did not have a major impact on the Company's financial position and performance.

New IFRS and IFRIC interpretations effective for the financial year beginning after January 1, 2014 and not early adopted

- IFRIC 21: Levies

The IASB issued IFRIC 21 which clarifies the accounting for levies imposed by governments. The scope of the interpretation is broad and covers all levies, except outflows that are in the scope of IAS 12 Income Taxes and penalties for breaches of legislation.

This interpretation will be implemented from January 1, 2015 and will not have a major impact on the Company's financial position and performance due to the amount of levies being unsignificant compared to the Company's financial statements.

- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions

The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization

The amendments clarify that a revenue-based method is not considered to be an appropriate manifestation of consumption. These amendments have not been early adopted.

- Amendments to IFRS 10 and IAS 28: Sales or contributions of assets between an investor and its associate or joint venture

The amendments clarify the current requirements regarding the partial gain or loss recognition for transactions between an investor and its associate or joint venture, which should only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations. Besides, the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full. IFRS 10 has also been amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 to an associate or joint venture is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

These amendments have not been early adopted.

New IFRS and amendments not yet effective

- IFRS 9: Financial instruments
- IFRS 14: Regulatory Deferral Accounts
- IFRS 15: Revenue from contracts with customers

IFRS 15 was issued in May 2014 by the Board of IASB on the recognition of revenue from contracts with customers. The core principle of the new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The new standard will be applicable from January 1, 2017 under IFRS but is not yet adopted by the EU.

The Company will realize an in-depth analysis of the requirements of the new standard. At this stage, Management preliminary considers that it should not materially impact the current accounting method for revenue recognition.

- Amendments to IFRS 11: Accounting for acquisition of interests in joint operations
- Amendments to IAS 27: Equity accounting in individual financial statements

Other IASB projects

A second 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, may end the distinction between operating and finance leases.

This would lead to the recording as a liability in the balance sheet of certain lease commitments currently disclosed in the notes to the financial statements (see Note 29). Certain operating lease expenses currently recorded within operating expenses would be split into an amortization expense of an intangible asset and a financial expense, except for the running costs which would 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 impairment testing of 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 terminal operations, when the Company controls the entity, 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 post-tax discount rates, or Weighted Average Cost of Capital ("WACC"), used for testing purposes are included within the range 10%-12% (7.3% to 12.0% in 2013) depending upon the inherent risk of each activity tested.
- The perpetual growth rate applied to periods subsequent to those covered by management's business plan was generally set at zero which is a prudent assumption.

In 2014 and 2013, impairment losses have been recognized on certain individual assets either linked to terminal investments, the vessel orderbook or certain specific intangible assets (See Note 9).

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 and demand will be more balanced.

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 lowered by USD 1,250.6 million, which would not have resulted in any impairment charge. The estimated value in use 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 6%.

Determination of the vessels useful lives and residual values

The depreciation of vessels is a significant charge for the Company. Vessels are depreciated over their expected useful lives to a residual value.

Useful lives and residual values are reassessed regularly based on available information such as the age of vessels in service on the market and the average age of scrapped vessels. This assessment also reflects current technology, service potential and vessel structure. This approach excludes short-term market fluctuations to the extent possible. Changes to estimates of useful lives and residual values may affect the depreciation expenses significantly.

Deferred taxes

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.

Due to the tonnage tax regime applicable on the main part of the Company's activity, resulting in a lower income tax payable in the future, the amount of deferred tax assets to be recognized is evenly reduced (see Note 12—Income and deferred taxes).

The mechanism of tonnage tax requires to estimate the portion of the future results that will be treated as part of tonnage tax regime and the residual portion that will not be subject to tonnage tax regime. For the purpose of the recognition of the deferred tax assets in France, Management has also based its estimates on:

- the fact that the French tonnage tax regime has been renewed in 2014 for a 10-year period;
- the best estimates of the future taxable results of activities that are not subject to tonnage tax regime.

Analysis of the nature of control over the subsidiaries—IFRS 10 and IFRS 11 analysis

In accordance with the transitional provisions of IFRS 10, Management reassessed the control conclusion for its investees and concluded that the application of the new standard resulted in no change in the consolidation scope. Such a control analysis involves judgement as certain situations are not obviously conclusive. Management has based its conclusion on all the facts and circumstances, as well as existing contractual agreements.

Demurrage receivables, accruals for port call expenses, transportation costs and handling services

The amount of 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 (See Note 21—Working Capital).

Provision for risks and impairment related to cancellation of vessel orders

In the past, the Group entered into certain discussions with shipyards to cancel certain vessel orders. As at December 31, 2014, 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 (See Note 28—Provisions and Note 18—Other non-current financial assets).

2.4 Summary of significant accounting policies

Translation of financial statements of foreign operations

- 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 borrowings 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	
	2014	**2013**	**2014**	**2013**
Euro	0.82366	0.72511	0.75353	0.75314
British pounds sterling	0.64155	0.60452	0.60721	0.63959
Australian Dollar	1.22140	1.11834	1.10902	1.03571
Moroccan dirham	9.03393	8.15612	8.42847	8.42305

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 (See Note 24—Prepaid expenses and deferred income)

- Other activities

For other activities, revenue is recognized when the services have been rendered or when the goods have been delivered.

Current income tax

Current income tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Taxable profit (tax loss) is the profit (loss) for a period, determined in accordance with the rules established by the taxation authorities, upon which income taxes are payable (recoverable).

The Group is subject to income taxes in numerous jurisdictions. When permitted by local tax authorities, the Company elected for the tonnage tax regime. The French tonnage tax regime is in effect a way to determine the taxable result that will be subject to income tax. For this reason, among others, the Company classifies the consequences of tonnage tax regime as income tax.

Deferred income tax

Deferred income tax is provided for 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 year. Except in cases where the result of the year is a loss, 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.

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 consolidated income statement.

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.

Non-controlling interest represent the portion of the profit or loss and net assets (of the Group or of one of its subsidiaries) attributable to equity interests held by third parties.

Adjustments are recognized as changes to goodwill, provided they result from new information obtained about facts and circumstances that existed at acquisition date and 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 consolidated income statement. The fair value subsequently is the initial carrying amount of the retained interest as an associate, joint venture or financial asset.

Other intangible assets

Other intangible assets mainly 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 Company; 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. The pre-operating costs are expensed when incurred. 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 year, 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 estimated sale price for containers) over its estimated useful life, as follows:

Asset	***Useful life in years***
Buildings (depending on components)	15 to 40
New vessels	25
Dry-docks (component of vessels)	1 to 7
Second-hand container vessels 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.

No change in residual value or useful life occurred in the presented consolidated financial statements.

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.

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 retains a substantial part of 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 year are disclosed in Note 29 related to commitments.

The lease term is the non-cancellable period for which the lessee has contracted to lease the asset, unless it is judged to be reasonably certain that a renewal option, if existing, will be exercised.

- 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.

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 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.

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 borrowing 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.

- 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 mid-market 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 19 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 17. Movements on the hedging reserve are shown in other comprehensive income.

The Company classifies its derivative instruments in the following categories:

- 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”.

The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowing is recognized in the income statement within “Interest expense on borrowings”. 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.

- 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.

- 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

- Initial recognition

Inventories are initially recorded at cost. Cost represents the purchase price and any directly attributable costs.

Inventories mainly relate to bunker fuel at the end of the year. Cost is determined on a first-in, first-out basis.

- Write-down rules

When the net realisable value of an item of inventory is less than its cost, the excess is immediately written-off in profit or loss.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised through profit or loss so that the new carrying value is the lower of the cost and the revised net realisable value.

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 23). Those financial assets are classified as loan and receivables and valued as described above. Bank overdrafts are presented within borrowings on the balance sheet.

In its consolidated statement of cash flows, the Company presents interest expenses as a cash flow used for financing activities.

Non-current assets held-for-sale

Non-current assets 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 are classified as held-for-sale only when the sale is highly probable and the asset 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 non-current asset or a group of asset 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.

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 Group's obligations in respect of defined benefit schemes 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. Actuarial gains and losses resulting from changes in actuarial assumptions or from experience adjustments are recognized as other items of comprehensive income, together with the return on assets excluding the interest 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.

The service cost of the periodic pension cost is presented in employee benefits included in operating expenses. The interest component is presented within other financial income and expenses, net.

Past service costs are recognized immediately in the consolidated income statement.

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 34, 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. Certain provisions may also be adjusted as a consequence of a post balance sheet adjusting event. 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 except derivative instruments with a negative fair value.

Financial liabilities are recognized initially at fair value, less directly attributable costs in case of liabilities that are not measured at fair value through profit and loss. 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, borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings 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.

Borrowings also comprise 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. In such cases, the Company recognizes the tax benefits as follows:

- 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" 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

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, bunker costs risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial and oil/commodity markets and seeks to minimize potential adverse consequences 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 department and a bunkering department in accordance with 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 liquidity.

Market risk

- Bunker costs risk

The Company seeks to apply bunker surcharges (Bunker Adjustment Factor "BAF") in addition to freight rates to compensate for fluctuations in the price of fuel. The Group's risk management policy is also to hedge through fixed price forward contracts. 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 2014	Closing rate 2013	Closing rate 2012	Average rate 2014	Average rate 2013	Average rate 2012
Nymex WTI (1st nearby, in $ per barrel) *	53.27	98.42	91.82	92.91	98.05	94.15
Brent (1st nearby, in $ per barrel) *	57.33	110.80	111.11	99.45	108.68	111.63

* *Based on the future contract maturing at the closest maturity on each considered date*

As at December 31, 2014, the Company hedged approximately 6.8% of expected purchase of bunkers for the next year through a forward fixed price with delivery (3.2% of expected purchase for the year 2014 as at December 31, 2013). These bunker purchases are treated as executory contracts.

As at December 31, 2014, the Group has no outstanding derivative financial instruments relating to bunker cost hedging (same as at December 31, 2013).

- 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, 2014	Carrying amount	USD	EUR	CNY	GBP	Others
Trade receivables and prepaid expenses	**2,632.1**	1,163.8	655.2	84.1	112.5	616.5
Cash and cash equivalents and financial assets at fair value through profit and loss	**2,263.6**	1,218.4	641.5	22.1	23.6	358.0
Trade payables and current deferred income	**3,364.2**	1,753.6	819.5	193.9	111.4	485.8
Borrowings	**5,480.1**	3,567.3	1,832.5	—	41.1	39.2
					o/w YEN	12.5

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.

In addition, as at December 31, 2014, the Company entered into short-term deposit instruments containing interest rate bonuses in order to improve the average interest rates on its cash deposits. The value of these instruments may fluctuate depending on the level of the EUR/USD exchange rate. The nominal amount as at December 31, 2014 amounts to USD 508.1 million.

- 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% decrease in the fair value of the existing portfolio in equity securities as at December 31, 2014 would have a negative impact on the income statement of USD 0.1 million for financial assets at fair value through profit and loss (negative impact of USD 0.1 million as at December 31, 2013).

- Cash Flow Interest rate risk

In 2014, expansionary monetary policies have allowed keeping interest rates at very low levels.

Market data:	Closing rate as at December 31, 2014	Closing rate as at December 31, 2013	Closing rate as at December 31, 2012	Annual average rate 2014	Annual average rate 2013	Annual average rate 2012
LIBOR USD 3 M	0.26%	0.25%	0.31%	0.23%	0.27%	0.43%

The Group's interest rate risk mainly arises from borrowings. The Company has borrowings (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, 2014, taking into account the interest rate hedges, the borrowings bearing interest at variable rates represent 48% of total debts against 52% at fixed rates.

The table below presents 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, 2014	Nominal amount	Maturity		Fair value of derivatives
		Less than 5 years	More than 5 years	
Interest swaps—cash flow hedge	**533.4**	282.4	251.0	(81.0)
Interest swaps—not qualifying for cash flow hedge	**270.0**	256.4	13.6	(0.2)
Total	**803.4**	**538.8**	**264.6**	**(81.2)**

The following table presents the sensitivity of the Group's profit before tax and of the Cash Flow reserve as at December 31, 2014 to a possible change in interest rates, assuming no change in other parameters:

		Income Statement impact		Balance Sheet impact
		Change in fair value of derivatives	Interest expenses *	Cash Flow Reserve
U.S Dollar	+100 bps	(2.1)	6.7	23.1
Euro	+100 bps	(0.9)	—	—
Japanese Yen	+100 bps	(0.9)	(0.6)	—

* *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 2014 as in 2013). Because of the large customer base, the Group has no significant concentration of credit risk. No customer represents more than 5% of Group revenue.

Counterparties for transactions on derivatives are limited to high-credit-quality financial institutions. The Group has policies that limit its exposure to credit risk towards financial institutions when dealing derivative financial instruments.

Liquidity risk

The table below presents the undiscounted cash flows of interest swap derivatives based on spot rate as at December 31, 2014 and on the interest rate curve as at December 31, 2014:

	2015	2016	2017	2018	2019	Onwards
Interest swaps—Assets *	3.2	1.2	1.1	1.0	0.5	0.7
Interest swaps—Liabilities **	(31.5)	(23.1)	(16.0)	(11.4)	(8.8)	(13.7)
Total	**(28.3)**	**(21.9)**	**(14.9)**	**(10.4)**	**(8.3)**	**(13.0)**

* *derivatives with a positive fair value as of December 31, 2014.*
** *derivatives with a negative fair value as of December 31, 2014.*

The Company's financing arrangements are subject to compliance with the main following covenants:

- Maximum gearing ratio (Adjusted net debt / Adjusted equity);
- Loan-to-value ratio (financing / market value of related asset);
- Minimum cash balance;
- Maximum long-term chartering commitments;
- Maximum capital expenditures.

These covenants are based on specific calculations as defined into Company's financing arrangements.

As at December 31, 2014, the Company fully complied with these covenants (as end of 2013).

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 ratios described above.

Fair value hierarchy

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2014:

As at December 31, 2014	Level 1	Level 2	Level 3	Total Balance
Assets				
Securities	13.4	—	—	13.4
Derivatives not qualified to hedge accounting	—	6.9	—	6.9
Derivatives used for hedging	—	—	—	—
Available-for-sale financial assets	—	—	76.8	76.8
Total Assets	**13.4**	**6.9**	**76.8**	**97.1**
Liabilities				
Derivatives not qualified to hedge accounting	—	7.1	—	7.1
Derivatives used for hedging	—	81.0	—	81.0
Total Liabilities	**—**	**88.1**	**—**	**88.1**

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2013:

As at December 31, 2013	Level 1	Level 2	Level 3	Total Balance
Assets				
Securities	221.8	—	—	221.8
Derivatives not qualified to hedge accounting	—	8.7	—	8.7
Derivatives used for hedging	—	—	—	—
Available-for-sale financial assets	—	—	79.5	79.5
Total Assets	**221.8**	**8.7**	**79.5**	**310.0**
Liabilities				
Derivatives not qualified to hedge accounting	—	14.0	—	14.0
Derivatives used for hedging	—	102.8	—	102.8
Total Liabilities	**—**	**116.8**	**—**	**116.8**

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.

The variations of assets and liabilities included in level 3 are as follows:

	ASSETS
	Available for sale financial assets
Opening balance	**79.5**
Transfers out of Level 3	(2.9)
Total gains or losses for the period	
Included in profit or loss	—
Foreign Currency impact	(0.9)
Purchases, issues, sales and settlements	
Purchases	1.4
Issues	—
Settlements	—
Other	(0.3)
Closing balance	**76.8**

The available for sale financial assets mainly consist of non consolidated investments in various companies. These shareholdings are valued at historical cost based on the fact that it approximates the fair value of such assets.

4. Significant events occurred during 2014 and 2013

Significant events in 2014

Ocean Three network

On September 9, 2014, the Group announced the signing of three major agreements with China Shipping Container Lines ("CSCL") and United Arab Shipping Company ("UASC") after the refusal by China's Ministry of Commerce ("MOFCOM") of the initially proposed P3 alliance.

Under the name of Ocean Three, the agreements concern a number of maritime trades in Asia-Europe, Asia-Mediterranean, Transpacific and Asia-United States East Coast. The agreements, a combination of vessel sharing agreements, slot exchange agreements and slot charter agreements, will complete the CMA CGM offering on the biggest global maritime markets and replace as from early January 15 similar existing agreements respectively with Maersk Line and with Mediterranean Shipping Co.

On October 21, 2014, the Ocean Three Alliance of CMA CGM, China Shipping and United Arab Shipping Co. received U.S. regulatory clearance without the standard 45-day review by the Federal Maritime Commission. No other regulatory approvals are required for the implementation of this alliance which has been launched in January 2015 (see Note 32 Post balance sheet events).

Accounting wise, this new alliance will be treated as a multiple vessel sharing agreement, thus resulting in no significant impact on the consolidated financial statements.

Investments in terminals

As at January 28, 2014, the Company signed an agreement with ICTSI to acquire a 25% stake of Lekki International Container Terminal Services LFTZ Enterprise, in Nigeria, thus obtaining significant influence. This Company is in charge of equiping and operating a new terminal facility with an ultimate capacity of TEU 2.5 million. This terminal is expected to start operations in 2017. Such investment will be subsequently treated as an investment in associates.

On July 7, 2014, the Company, through its fully owned subsidiary CMA Terminals, and Adani Ports and Special Economic Zone (APSEZ) have announced the creation of a joint venture in Mundra, India, to operate the port's new fourth container terminal. Both partners each hold a 50% stake in the newly-created company, resulting in a joint control. The joint venture will develop and operate a TEU 1.3 million deep water container terminal in Mundra's new South Basin port area. Such investment, in which the Company injected some minor capital contributions at this stage, is presented within associates and joint ventures.

On July 16, 2014, the Group announced the investment, through its fully owned subsidiary Greenmodal Transport, in Mourepiane Terminal Transport Combiné (MTTC). The Group hold 15.5% of this company which will develop a new combined transport terminal based in Marseille.

On October 14, 2014, the Company entered into bilateral negotiations with the port authority and the government of Jamaica for the development of a terminal in Kingston which would become, if an agreement is reached, the Company's transshipment hub for the Caribbean.

Group fleet development

On January 2, 2014, the Company entered into 12-year operating lease agreements in relation to three 9,400 TEU container vessels to be delivered in 2016. The total commitment regarding lease payments amounts to USD 308.8 million.

On April 24, 2014, the Company ordered three 2,500 TEU container carrier to a Chinese yard for a total order amount of USD 125 million including extra costs, for which the Company is currently seeking for external financings. The delivery of those vessels is scheduled in 2016. As at December 31, 2014, prepayments paid to shipyards amount to USD 15.0 million.

Rating

On May 12, 2014, the international rating agency Standard & Poor's revised the Group's corporate credit rating upwards from B to B+ with a "stable outlook" and the issue rating on the company's senior unsecured notes from CCC+ to B-.

On December 19, 2014, the international rating agency Moody's changed outlook on the Company's B2 ratings to positive.

Agreement with Global Ship Lease

In August 2014, the Company signed an agreement with Global Ship Lease, Inc, by which the Company received an amount of USD 36.4 million as an early and final repayment of the preferred shares it holds in such related party (see Note 18).

Agreement with Compagnie du Ponant

In August 2014, the Company signed an agreement with Compagnie du Ponant, by which the Company received an amount of USD 54.6 million, plus accrued interests, as an early repayment of the loan that was contractually due in August 2017 (see Note 18).

Securitization

In October 2014, the Company restructured its two securitization programs as follows:

- Repayment of the historical program for an equivalent amount of USD 427 million (EUR 340 million);
- Extension of the program entered into end 2013 by an amount of USD 688 million, such program being increased to USD 880 million at such date.

Such restructuring increased the Company's cash position by around USD 261 million at date.

Acquisition of OPDR

On November 25, 2014, the Company announced the acquisition of the German company OPDR (Oldenburg-Portugiesische Dampfschiffs-Rhederei GmbH & Co. KG). OPDR is a shipping company owned by the Bernhard Schulte Group, an expert in Short Sea Shipping and door to door logistics for North Europe, Canary Islands, the Iberian Peninsula and Morocco. With its over 200 dedicated collaborators and its network of agencies, the company connects Europe, Scandinavia and North Africa.

OPDR and MacAndrews joint capacities will reinforce the CMA CGM Group's intra-European offering, and its tailor made intermodal solutions. Our clients will also benefit from substantial synergies at the CMA CGM Group level.

The closing of this transaction is subject to the approval of the relevant regulatory authorities and should occur in the first half of 2015.

Significant events in 2013

Investment of Yildirim and FSI and finalization of the debt restructuring early 2013

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 100.0 million giving right to a 4% stake in CMA CGM upon conversion on a fully diluted basis. These bonds bear interest at 12% per annum payable in cash until their maturity on December 31, 2017. Due to these characteristics, the transaction resulted in an increase in the Company's reserves of USD 56.5 million and an increase of the borrowings amounting to USD 43.5 million corresponding to the net present value of interest payable during the 5-year period.

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 borrowings for which a breach of covenants was identified as at December 31, 2012, amounting to USD 2,124.0 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 being now Banque Publique d'Investissement (Bpifrance)) subscribed to bonds mandatorily redeemable in shares for an amount of USD 150.0 million giving right to a 6% stake in CMA CGM upon conversion on a fully diluted basis. These bonds bear interest at 12% per annum payable in cash. The transaction resulted in an increase in the Company's reserves of USD 56.5 million and an increase of the borrowings amounting to USD 93.5 million corresponding to the net present value of interest payable during the 8-year period.

Disposal and reorganization of 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 528.0 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 million):

Cash consideration received from CMHI for 49% stake	***(a)***	**528.0**
Estimated fair value of guarantees granted to CMHI (*)	*(b)*	89.1
Fair value of the consideration received for 49% stake	***(c) = (a) - (b)***	**438.9**
Estimated fair value for 100% of Terminal Link	***(d) = (c) / 49%***	**895.7**
Carrying amount of assets and liabilities at disposal date		
Investments in associates and joint ventures		204.6
Assets classified as held-for-sale		595.5
Liabilities associated with assets classified as held-for-sale		(205.6)
Total	***(e)***	**594.6**
Gain on disposal of Terminal Link	***(d) - (e)***	**301.1**
Impairment on terminals retained by CMA Terminals		**(59.1)**
Gain resulting from the reorganization of the terminal activities		**242.0**

(*) As part of the transaction, CMA CGM has agreed to guarantee up until 2019 a certain level of dividends payable to CMHI regardless of the capacity of Terminal Link to distribute such dividends. At transaction date June 11, 2013, the estimated fair value of this guarantee was USD 89.1 million.

At transaction date, the impact of the above transaction on the assets and liabilities of the Company was as follows (in USD million):

Investment in associates and joint ventures—Recognition of 51% of Terminal Link under the equity method at fair value (895.7 * 51%)	456.8
Provision—Estimated fair value of guarantees granted to CMHI	89.1

5. Operating segments

For management purposes, the Group reports two operating segments: container shipping activity, which represented approximately 98% of revenue during the year ended December 31, 2014, 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, logistics, and transport by rail, road and river.

These segments do not result of an aggregation of operating segments.

Segment performance is evaluated by management based on the following measures:

- Revenue;
- EBIT ("Earnings Before Interests and Taxes").

EBIT corresponds to the line item "Operating profit" presented in the consolidated income statement. EBIT is a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to drive its operating performance. The Company believes that the presentation of EBIT is a relevant aggregate to management for decision making purposes. EBIT is not defined in IFRS and should not be considered as an alternative to Profit / (Loss) for the year or any other financial metric required by such accounting principles. However, in terms of segment reporting, management believes that EBIT is a more relevant aggregate to assess the segment performance as financial result and income tax are not allocated to segments.

The segment information for the reportable segments for the year 2014 and 2013 is as follows:

	Revenue		EBIT	
	For the twelve months ended December 31,		For the twelve months ended December 31,	
	2014	2013	2014	2013
Container shipping segment	16,370.0	15,564.9	955.5	708.1
Other activities	778.4	761.1	17.6	47.3
Reconciling items & Eliminations	(409.3)	(424.5)	(55.5)	221.3
Total consolidated measures	**16,739.1**	**15,901.5**	**917.6**	**976.7**

Certain items are unallocated as management considers that they do not affect the recurring operating performance of the Group.

Reconciling items impacting EBIT include (i) the impact of the disposal of property and equipment and subsidiaries (see Note 8) and (ii) other income and expenses (see Note 9).

6. Operating expenses

Operating expenses are analyzed as follows:

	For the year ended December 31,	
	2014	2013
Bunkers and consumables	(3,493.9)	(3,537.8)
Chartering and slots purchases	(1,805.0)	(1,781.1)
Handling and stevedoring	(3,879.4)	(3,588.2)
Inland and feeder transportation	(1,802.7)	(1,681.7)
Port and canal	(1,183.5)	(1,102.0)
Container rentals and other logistic expenses	(1,296.4)	(1,229.2)
Employee benefits	(1,201.9)	(1,143.8)
General and administrative other than employee benefits	(602.0)	(604.4)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(11.1)	(27.8)
Operating exchange gains / (losses), net	53.4	17.4
Other	(226.8)	(199.3)
Operating expenses	**(15,449.3)**	**(14,877.9)**

The overall increase in the value of operating expenses is mainly due to the growth of carried volumes. Unit operating expenses (per volume) is down in 2014 compared to 2013.

7. Employee benefits

Employee benefit expenses are analyzed as follows:

	For the year ended December 31,	
	2014	2013
Wages and salaries	(930.3)	(895.7)
Social security costs	(211.5)	(197.0)
Pension costs	(20.7)	(15.3)
Other expenses	(39.4)	(35.8)
Employee benefits	**(1,201.9)**	**(1,143.8)**

The number of employees of the controlled subsidiaries of the Company is 18,249 as at December 31, 2014 (16,842 as at December 31, 2013). The total number of employees, including those employed in certain joint-ventures or through international seafarer providers, is 22,750 as at December 31, 2014 (21,161 as at December 31, 2013).

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 year ended December 31,	
	2014	2013
Disposal of vessels	2.2	(3.2)
Disposal of containers	26.0	35.7
Other fixed assets disposal	0.8	0.9
Disposal of subsidiaries	(1.2)	310.4
Gains on disposal of property and equipment and subsidiaries	**27.9**	**343.8**

In 2014, the Company sold certain containers through sale and operating lease back contracts resulting in:

- an increase in cash and cash equivalents amounting to USD 187.9 million (USD 151.5 million as at December 31, 2013);
- a gain on disposal amounting to USD 26.0 million (USD 35.7 million as at December 31, 2013).

The USD 2.2 million disposal of vessels is related to a TEU 8,400 vessel accounted for as held for sale as at December 31, 2013 and sold during 2014.

During the year ended December 31, 2013, the disposal of the 49% stake in Terminal Link to CMHI resulted in an accounting gain amounting to USD 301.1 million (see Note 4).

9. Other income and expenses

Other income and expenses can be analyzed as follows:

	For the year ended December 31,	
	2014	2013
Impairment of assets	(35.1)	(59.1)
Other	(48.4)	(63.9)
Other income and expenses	**(83.5)**	**(123.0)**

In 2014, impairment of assets mainly relates to the impairment of individual specific intangible and tangible assets.

The line item "Other" mainly corresponds to the remeasurement of the estimated present value of the dividend guarantee payable to CMHI (see note 4). Due to circumstancial limitations to pay dividends in certain terminals and the delay in the ramp-up of others, the Company considered it appropriate to increase the liability for an amount of USD 42.1 million (USD 30.6 million in 2013).

The global evolution of other income and expenses between 2013 and 2014 is mainly explained by the impairment charge amounting to USD (59.1) million recorded in 2013 as a consequence of the reassessment of the competitive positioning of the terminals outside of the scope of Terminal Link, which resulted in a revision of their value in use.

10. NPV benefits related to assets financed by tax leases

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 (NPV benefits) being amortized over the tax financing period. The decrease in the NPV benefit income statement line item between the two periods presented is linked to the anticipated exercice of certain purchase options which occurred in 2013.

11. Financial result

The financial result is analyzed as follows:

	For the year ended December 31,	
	2014	2013
Interests expense on borrowings	(310.2)	(345.3)
Interests income on cash and cash equivalent	32.0	17.8
Cost of borrowings net of interests income on cash and cash equivalent	**(278.2)**	**(327.5)**
Financial cost related to debt restructuring	—	(30.4)
Settlements and change in fair value of derivative instrument	(28.8)	(42.2)

	For the year ended December 31,	
	2014	2013
Interests for deferred payments to shipyards	—	(4.4)
Foreign currency income and expense, net	70.3	(37.5)
Other financial income and expense, net	14.8	(3.3)
Other net financial items	**56.3**	**(117.8)**
Financial Result	**(221.9)**	**(445.3)**

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 borrowings, obtained or in progress. Such transaction costs are amortized using the effective interest rate method.

Settlements and change in fair value of derivative instruments reflect the impact, on the portfolio of derivative financial instruments, of the volatility of currencies and interest rates during the periods presented.

Foreign currency income and expense, net is mainly composed of foreign currency exchange gain / (losses) on financial operations due to the translation of borrowings and financial instruments denominated in euros. For the year ended December 31, 2014, the appreciation of the USD versus EUR rate resulted in significant exchange gains.

12. Income and deferred taxes

Income taxes

	For the year ended December 31,	
	2014	2013
Current tax	(75.2)	(67.0)
Deferred tax	(8.9)	(33.9)
Income Taxes	**(84.1)**	**(100.9)**

A provision for tax risk of the Company's subsidiaries amounting to USD 0.3 million is included in the current income tax expense of the year ended December 31, 2014 (USD 5 million in 2013).

Current tax of the year 2014 includes USD 0.8 million related to prior year income tax (USD 1.3 million in 2013).

Deferred taxes

Deferred taxes balances break down as follows:

Deferred tax assets	As at December 31, 2014	As at December 31, 2013
Investment tax credit	0.1	0.1
Tax losses carried forward	11.2	22.8
Retirement benefit obligations	14.9	12.2
Other temporary differences	8.0	5.7
Total deferred tax assets	**34.2**	**40.8**

Deferred tax liabilities	As at December 31, 2014	As at December 31, 2013
Revaluation and depreciation of property and equipment	16.4	18.3
Undistributed profits from subsidiaries	28.7	29.5
Other temporary differences	7.9	3.6
Total deferred tax liabilities	**53.0**	**51.4**
Total net deferred tax assets / (liabilities)	**(18.8)**	**(10.6)**

	As at December 31, 2014	As at December 31, 2013
Net deferred tax at the beginning of the period	**(10.6)**	**23.5**

	As at December 31, 2014	As at December 31, 2013
Changes through Profit & Loss	(8.9)	(33.9)
Changes through Other Comprehensive Income	2.2	—
Currency translation adjustment	(2.1)	—
Other variations	0.6	(0.2)
Net deferred tax at the end of the period	**(18.8)**	**(10.6)**

As at December 31, 2014, the Company reduced the level of the deferred tax assets recognized on tax losses carried forward in France for an amount of USD 11.1 million (USD 19.5 million in 2013) as a consequence of the reassessment of the foreseeable non-tonnage tax eligible activities.

Tax losses carried forward mainly relate to losses generated by the activities liable to corporate income tax in France. These tax losses are recognized only to the extent of the level of the corresponding deferred tax liability and the foreseeable taxable profit generated by these activities.

Unused tax losses and other taxable temporary differences to a lesser extent, whose recovery within a reasonable timeframe is considered less than likely are not recognized in the balance sheet and represented 1,083.3 USD million as at December 31, 2014 (USD 849,0 million in 2013). The corresponding unrecognized deferred tax asset amounts to USD 373.0 million in 2014 (USD 292,3 million in 2013). The unused tax losses can be carried forward indefinitely.

The level of withholding taxes related to undistributed profits from subsidiaries remained stable in 2014 (increased by USD 14.0 million in 2013).

Income tax impacts related to other comprehensive income are presented in the statement of comprehensive income.

Tax proof

	For the year ended December 31,	
	2014	2013
Profit / (Loss) before tax and share of profit (or loss) of the associates and joint ventures	**690.0**	**512.6**
Theoritical income tax (tax rate of 38%)	(262.2)	(194.8)
Income tax expense	(84.1)	(100.9)
Difference between theoritical and effective income tax	**178.1**	**93.9**
Impact of the tonnage tax regime	158.8	(51.7)
Use or recognition of deferred tax assets previously unrecognized	6.7	2.8
Effect of different tax rates in foreign tax jurisdictions	42.2	34.0
Unrecognized tax losses generated by certain entities not liable to tonnage tax	(74.0)	12.3
Terminal activities reorganization in 2013 (fair value adjustment and gain on disposal)	—	125.8
Reassesment of previously recognized deferred tax assets and liabilities	(10.3)	(33.5)
Effect of functional currency	76.7	(55.2)
Impact of dividends	(37.2)	(5.5)
Other Permanent differences	15.1	65.0
Difference	**178.1**	**93.9**

13. Goodwill

The carrying amount of goodwill has been allocated to the following operating segments and cash generating units based on the management structure:

	As at December 31, 2014	As at December 31, 2013
Beginning of the year	**299.8**	**298.1**
Impairment	(5.9)	—
Foreign currency translation adjustment	(4.2)	1.7
At the end of the year	**289.7**	**299.8**
of which:		
Allocated to container shipping segment	*283.6*	*287.1*
Allocated to other activities	*6.1*	*12.7*

Goodwill impairment related to certain individual business pertaining to other activities.

14. 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, 2013	**306.1**	**62.6**	**33.2**	**401.9**
Acquisitions	3.8	67.0	0.2	71.0
Disposals	(1.2)	—	(0.2)	(1.4)
Reclassification	68.2	(68.2)	(0.2)	(0.3)
Foreign currency translation adjustment	(0.3)	—	(1.4)	(1.7)
As at December 31, 2013	**376.6**	**61.4**	**31.6**	**469.5**
Acquisitions	5.9	71.4	1.1	78.4
Disposals	(3.5)	—	—	(3.5)
Impairment	—	—	(28.8)	(28.8)
Reclassification	15.5	(15.5)	0.8	0.8
Foreign currency translation adjustment	(1.9)	(0.1)	(0.6)	(2.6)
As at December 31, 2014	**392.6**	**117.2**	**4.1**	**513.8**

	Software			
	In use	In-progress	Others	Total
Amortization and impairment				
As at January 1, 2013	**(202.0)**	**—**	**(10.0)**	**(212.0)**
Amortization and impairment	(52.4)	—	(2.5)	(54.9)
Disposals	0.7	—	0.2	0.9
Reclassification	—	—	0.2	0.2
Foreign currency translation adjustment	—	—	0.3	0.3
As at December 31, 2013	**(253.7)**	**—**	**(11.8)**	**(265.5)**
Amortization and impairment	(40.9)	—	(2.4)	(43.3)
Disposals	3.5	—	—	3.5
Impairment	—	—	13.2	13.2
Reclassification	(0.5)	—	—	(0.5)
Foreign currency translation adjustment	1.1	—	0.1	1.2
As at December 31, 2014	**(290.5)**	**—**	**(0.9)**	**(291.4)**

	Software			
	In use	In-progress	Others	Total
Net book value of Other intangible assets				
As at December 31, 2014	**102.1**	**117.2**	**3.2**	**222.4**
As at December 31, 2013	**122.9**	**61.4**	**19.8**	**204.0**
As at January 1, 2013	**104.1**	**62.6**	**23.2**	**189.9**

High-performance information systems are essential within the industry, which requires significant internal and external software development. Software capitalized costs 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 systems implemented within all Group shipping entities.

Through a strategic partnership with SAP, the Company decided in 2013 to invest in a new innovative information system. It will enable the Group to develop an information system specifically designed to container shipping, it aims to enhance efficiency and flexibility in an industry that is constantly evolving. The amount of software in progress as at December 31, 2014 is mainly related to this project.

The amortization schedule of the currently used ERP has been adjusted to its reassessed useful life.

The lines “amortization and impairment” of other intangible assets include the impairment of certain previously recognized rights on chartering contracts which may no longer be recovered due to the current low level of market chartering prices.

15. Property and equipment

Property and equipment are analyzed as follows:

	As at December 31, 2014	As at December 31, 2013
Vessels		
Cost	7,498.0	7,397.8
Cumulated depreciation	(1,523.6)	(1,277.3)
	5,974.4	**6,120.5**
Containers		
Cost	919.9	998.3
Cumulated depreciation	(375.0)	(393.2)
	544.9	**605.1**
Lands and buildings		
Cost	672.1	739.5
Cumulated depreciation	(131.9)	(119.1)
	540.2	**620.4**
Other properties and equipments		
Cost	282.4	295.4
Cumulated depreciation	(171.6)	(176.0)
	110.8	**119.4**
Total		
Cost	**9,372.4**	**9,431.0**
Cumulated depreciation	**(2,202.1)**	**(1,965.6)**
Property and equipment	**7,170.3**	**7,465.4**

As at December, 2014, assets held under capital leases, tax lease agreements and other similar arrangements included in the above table represented a cost of USD 2,418.6 million (USD 2,908.7 million as at December 31, 2013) and a cumulated depreciation of USD 423.1 million (USD 443.2 million as at December 31, 2013).

Variations in the cost of property and equipment for the year ended December 31, 2014 and the year ended December 31, 2013 are analyzed as follows:

As at December 31, 2014 the Company operates 79 vessels owned or under finance lease or equivalent agreements (81 as at December 31, 2013). At the balance sheet date, 9 vessels are in the orderbook (6 vessels as at December 31, 2013).

The line item “exercise of purchase option” is linked to the transfer from leased to owned vessels of the cost of three vessels for USD 411.4 million following the exercise of the purchase option included in the related finance lease.

The line item “reclassification to assets held-for-sale” is linked to the transfer from owned vessels to assets held for sale of one vessels (see note 25).

Purchases of property and equipment amounted to USD 317.2 million in 2014 (USD 528.5 million in 2013), of which USD 2.1 million were financed under capital leases or similar arrangements (USD 279.9 million as at December 31, 2013).

Borrowing costs capitalized in 2014 amounted to USD 11.9 million (USD 1.9 million as at December 31, 2013).

Variations in the accumulated depreciation for the year ended December 31, 2014 and the year ended December 31, 2013 are analyzed as follows:

	Vessels						
	Owned	Leased	In-progress	Containers	Lands and buildings	Other properties and equipments	Total
As at January 1, 2013	**(776.5)**	**(310.9)**	**—**	**(406.7)**	**(90.8)**	**(151.9)**	**(1,736.8)**
Depreciation	(175.5)	(92.1)	—	(54.4)	(26.5)	(31.5)	**(380.0)**
Disposals	56.7	—	—	67.9	0.7	8.6	**133.9**
Disposals of subsidiaries	—	—	—	—	0.5	—	**0.5**
Reclassification to assets held-for-sale	21.9	—	—	—	—	—	**21.9**
Exercise of purchase option	(80.3)	80.3	—	—	0.2	(0.3)	**(0.1)**
Foreign currency translation adjustment	—	(0.9)	—	—	(3.2)	(0.9)	**(5.0)**
As at December 3 1, 2013	**(953.7)**	**(323.6)**	**—**	**(393.2)**	**(119.1)**	**(176.0)**	**(1,965.6)**
Depreciation	(185.5)	(82.6)	—	(45.2)	(22.9)	(21.6)	**(357.8)**
Acquisitions of subsidiaries	—	—	—	—	(0.8)	(1.9)	**(2.7)**
Disposals	16.8	—	—	63.0	—	12.6	**92.4**
Impairment	(6.0)	—	—	—	—	—	**(6.0)**
Reclassification to assets held-for-sale	5.4	—	—	—	—	—	**5.4**
Exercise of purchase option	(72.1)	72.1	—	—	—	—	**—**
Foreign currency translation adjustment	0.9	4.7	—	0.4	10.9	15.3	**32.2**
As at December 3 1, 2014	**(1,194.2)**	**(329.4)**	**—**	**(375.0)**	**(131.9)**	**(171.6)**	**(2,202.1)**

Including intangible assets, the total depreciation for the year ended December 31, 2014 amounts to USD 401.1 million (423.4 in 2013).

The net book value of property and equipment at the opening and closing of each period presented are analyzed as follows:

	Vessels						
	Owned	Leased	In-progress	Containers	Lands and buildings	Other properties and equipments	Total
As at December 31, 2014	3,847.8	1,834.3	292.3	544.9	540.2	110.8	**7,170.3**
As at December 31, 2013	3,678.3	2,261.2	181.0	605.1	620.4	119.4	**7,465.4**
As at January 1, 2013	3,465.7	2,378.9	196.6	738.5	627.5	123.5	**7,530.7**

The net book value of the containers as at December 31, 2014 includes USD 124.3 million related to containers under finance leases (USD 165.0 million as at December 31, 2013).

Vessels ordered

As at the date of the approval of these annual consolidated financial statements, the Company has 9 vessels in its orderbook, corresponding to three 17,700 TEU container vessels (formerly 16,000 TEU container vessels which have been upgraded), three 2,100 TEU vessels and three 2,500 TEU vessels (see Note 29.1).

Prepayments made to shipyards relating to vessels under construction are presented within "Vessels" and amount to USD 292.3 million as at December 31, 2014 (USD 181.0 million as at December 31, 2013).

16. Investments in associates and joint ventures

Investments in associates and joint ventures are presented as follows:

	As at December 31, 2014	As at December 31, 2013
Beginning of the year	**722.7**	**474.4**
Fair value adjustment on investment retained	(0.0)	269.3
Transfer of carrying value of newly controlled entities	(5.8)	—
New investments in associates and joint ventures	7.1	—
Disposal	(0.8)	(2.1)
Share of (loss) / profit	5.7	18.8
Impairment	—	(25.9)
Dividends received	(20.3)	(17.8)
Other comprehensive income	(1.1)	1.6
Reclassification from / to other items	1.1	
Foreign currency translation adjustment	(22.5)	4.4
At the end of the year	**686.1**	**722.7**

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, the remeasurement at fair value of the remaining 51% investment in Terminal Link resulted in a USD 252.2 million increase over the historical carrying value of USD 204.6 million. The investment in associates and joint ventures at transaction date was USD 456.8 million.

In 2013, the "Impairment" line item related to certain terminals accounted for under the equity method in Egypt and Vietnam, in which the Company owns respective stakes of 20% and 25%.

Significant judgments and assumptions made in determining the nature of the interests in significant associates and joint ventures

- Global Ship Lease ("GSL")—accounted as an associate

The control analysis over GSL is based on the power of the shareholders and the management board upon the relevant activities.

CMA CGM does not hold the majority of voting rights and has no de facto control despite its large minority shareholding. CMA CGM has obtained early 2014 the nomination of two members to the Board, which is composed of six members; these two individuals representing CMA CGM have no right to vote any decision related to CMA CGM. CMA CGM being a major customer of Global Ship Lease, Inc., the decisions concerning the relationship with CMA CGM are among the most relevant activities of this entity.

The contracts between GSL and CMA CGM are only commercial agreements for vessels chartering and crewing management. These commercial relations don't give any specific power to CMA CGM. GSL successfully initialized a diversification of its customer base during 2014, pursued in 2015.

Therefore, Management estimates that CMA CGM currently does not have the control over this investee based on IFRS 10 and that the accounting of this investment under equity method is appropriate under IFRS 10 and IFRS 11.

- Terminal Link SA and its subsidiaries ("TL")—accounted as a joint venture

Since June 2013, TL is 51% owned by CMA CGM (through CMA Terminals Holding ("CMATH") 100% owned by CMA CGM) and 49% owned by China Merchants Holding International ("CMHI").

The contractual arrangement between CMHI and CMA CGM over TL results in accounting joint control whereby the power to govern the financial and operational policies of the company is jointly shared. Indeed, the shareholders' agreement stipulates that any major decision requires the unanimous consent of the shareholders. CMHI also has substantive rights on TL. The parties have no direct rights to the assets or obligations for the liabilities.

As a result, the investment in Terminal Link is accounted for under the equity method under IFRS11.

Additional disclosures related to associates

in million of USD	GLOBAL SHIP LEASE INC		OTHER ENTITIES	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
% of shareholding	44.72%	44.72%	n.a.	n.a.
% of voting rights	44.72%	44.72%	n.a.	n.a.
Equity method Balance sheet contribution	201.5	198.7	28.9	27.0
Equity method P&L contribution	2.7	14.5	4.4	6.7
Equity method OCI contribution	—	—	—	—
Equity method total comprehensive income contribution	2.7	14.5	4.4	6.7
Fair value (for listed entities)	109.9	146.7	n.a.	n.a.
Distributed dividends for CMA CGM	—	—	4.4	2.2
Data based on a 100% basis				
Non-current assets	865.7	854.3		
Current assets	17.5	38.4		
Total Assets	**883.2**	**892.7**		
Equity	450.5	444.4		
Non-current liabilities	412.7	379.2		
Current liabilities	20.0	69.2		
Total Liabilities	**883.2**	**892.7**		
Revenue	**138.6**	**143.2**		
Profit for the year	**6.1**	**32.5**		
Other comprehensive income	**—**	**—**		
Total comprehensive income	**6.1**	**32.5**		

Additional disclosures related to joint ventures

in million of USD	TERMINAL LINK GROUP		OTHER ENTITIES	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
% of shareholding	51.0%	51.0%	n.a.	n.a.
% of voting rights (if different from above)	n.a.	n.a.	n.a.	n.a.
Equity method Balance sheet contribution	421.0	458.7	34.8	37.4
Equity method P&L contribution	(6.4)	(8.4)	5.2	5.5
Equity method OCI contribution	(1.1)	1.5	(0.2)	2.4
Equity method total comprehensive income contribution	(7.5)	(6.9)	5.0	7.9
Fair value (for listed entities)	n.a.	n.a.	n.a.	n.a.
Distributed dividends to CMA CGM	3.5	—	9.2	9.4
Data based on a 100% basis				
Non-current assets	988.1	1,054.6		
Other current assets	36.8	68.4		
Cash & cash equivalents	39.6	9.0		
Total Assets	**1,064.5**	**1,132.0**		
Equity	831.4	901.2		
Non-current borrowings	143.6	148.9		
Other non-current liabilities	19.4	17.8		
Current borrowings	38.9	40.3		

in million of USD	TERMINAL LINK GROUP		OTHER ENTITIES	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Other current liabilities	31.2	23.8		
Total Liabilities	**1,064.5**	**1,132.0**		
Reconciliation of 100% figures to investments in joint ventures				
Equity of the joint venture excluding non controlling interests (100%)	**825.5**	**895.2**		
Equity attributable to the joint venturer (49%)	(404.5)	(438.6)		
Other	—	2.1		
Equity method balance sheet contribution	**421.0**	**458.7**		
Revenue	**120.2**	**69.9**		
Depreciation & amortization	(8.0)	(4.7)		
Financial result	(6.1)	(2.1)		
Income tax	(5.6)	(4.5)		
Profit for the year	**(12.5)**	**(16.7)**		
Other comprehensive income	**(2.2)**	**2.6**		
Total comprehensive income	**(14.7)**	**(14.1)**		
Reconciliation of 100% figures to share of profit / (loss) from joint venture				
Share of profit / (loss) for the year	**(12.5)**	**(16.7)**		
Share of profit for the year for the joint venturer (49%)	6.1	8.2		
Other	—	0.1		
Equity method P&L contribution	**(6.4)**	**(8.4)**		

17. Derivative financial instruments

Derivative financial instruments are analyzed as follows:

	As at December 31, 2014		As at December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
Interest swaps—cash flow hedge	—	81.0	—	102.8
Interest swaps—not qualifying to hedge accounting	6.8	7.1	8.7	14.0
Currency forward contracts	0.1	—	—	—
Total derivative financial instruments	**6.9**	**88.1**	**8.7**	**116.8**
of which non-current portion (greater than 1 year)	*3.0*	*55.2*	*3.8*	*76.7*
of which current portion (less than 1 year)	*3.9*	*32.9*	*4.9*	*40.1*

In 2014 and in 2013, the Company did not record any transfer between derivative financial instruments categories.

18. Other non-current financial assets

Other non-current financial assets are analyzed as follows:

	As at December 31, 2014	As at December 31, 2013
Investments in non consolidated companies		
Gross	82.8	85.6
Impairment	(6.0)	(6.2)
	76.8	**79.4**
Loans		
Gross	111.2	194.4
Impairment	(59.4)	(53.1)
	51.8	**141.3**
Deposits		
Gross	319.7	384.6

	As at December 31, 2014	As at December 31, 2013
Impairment	—	—
	319.7	**384.6**
Receivable from associates		
Gross	16.3	16.1
Impairment	—	—
	16.3	**16.1**
Other financial assets		
Gross	361.4	439.1
Impairment	(168.7)	(168.6)
	192.7	**270.5**
Total other non-current financial assets		
Gross	891.4	1,119.8
Impairment	(234.1)	(227.9)
Total other non-current financial assets, net	**657.3**	**891.9**

Change in loans and deposits is presented within "Variation in other financial assets" in the consolidated cash flow statement.

Investments in non consolidated companies

This line item consists of shares in Rotterdam World Gateway BV for USD 47.3 million in which the Company has a 10% shareholding as well as other entities individually not significant.

Loans

"Loans" mainly relates to funds borrowed by certain terminal joint venture. The 5% interest bearing vendor loan, granted in 2012 to Compagnie du Ponant as part of the sale of this company, has been repaid in advance in August 2014 for an amount of USD 54.6 million, plus accrued interests (see Note 4).

Deposits

Included in "Deposits" are mainly:

- USD 143.9 million as at December 31, 2014 (USD 152.3 million as at December 31, 2013) of cash deposited in escrow accounts in relation to certain loan-to-value provisions in financing agreements; and
- USD 105.3 million as at December 31, 2014 (USD 116.7 million as at December 31, 2013) of cash deposits which do not qualify as cash and cash equivalents.

Other financial assets

As at December 31, 2014, "Other financial assets" include:

- USD 178.8 million as at December 31, 2014 (USD 203.5 million as at December 31, 2013) of financial tax benefit to be received at the maturity of the tax financing period; and
- USD 168.1 million as at December 31, 2014 (USD 168.1 million as at December 31, 2013) of prepayments paid and other capitalized costs related to vessel orders cancelled. As at December 31, 2014 the full amount of such prepayments is impaired (same as at December 31, 2013).

In August 2014, the Company signed an agreement with Global Ship Lease, Inc, by which the Company received an amount of USD 36.4 million as an early and final repayment of the preferred shares it holds in such related party. Such transaction resulted in a loss of USD 8.6 million presented in financial result as such preferred shares had a carrying value of USD 45.0 million, partly compensated by the Company's share in Global Ship Lease which accounted a gain on such settlement, presented in share of profit of associates.

19. 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, 2014 and December 31, 2013:

Assets	As at December 31, 2014	Loans and receivables	Available for sale	Financial assets & liabilities at fair value through profit and loss	Derivative instruments
Non-current derivative financial instruments	**3.0**	—	—	—	3.0
Other non-current financial assets	**657.3**	580.5	76.8	—	—
Trade and other receivables	**2,382.7**	2,382.7	—	—	—
Current derivative financial instruments	**3.9**	—	—	—	3.9
Securities and other current financial assets	**77.1**	—	—	77.1	—
Cash and cash equivalents	**2,186.5**	2,186.5	—	—	—
Total financial instruments—Assets	**5,310.5**	**5,149.7**	**76.8**	**77.1**	**6.9**

Liabilities	As at December 31, 2014	borrowings at amortized cost	Derivative instruments
Non-current borrowings	**4,409.4**	4,409.4	—
Non-current derivative financial instruments	**55.2**	—	55.2
Current borrowings	**1,070.7**	1,070.7	—
Current derivative financial instruments	**32.9**	—	32.9
Trade and other payables	**2,720.2**	2,720.2	—
Total financial instruments—Liabilities	**8,288.4**	**8,200.3**	**88.1**

20. Inventories

Inventories are detailed below:

	As at December 31, 2014	As at December 31, 2013
Bunkers	347.3	436.3
Other inventories	37.8	38.2
Provision for obsolescence	(0.7)	(0.8)
Inventories	**384.4**	**473.7**

The decrease in the value of bunker inventories is related to the decrease in fuel prices.

21. Working Capital

The working capital can be analyzed as follows:

	As at December 31, 2013	Cash variations	Currency translation adjustment	Others	As at December 31, 2014
Inventories	473.7	(87.3)	(2.0)	—	384.4
Trade and accounts receivable (*)	2,305.2	216.8	(131.0)	7.4	2,398.4
Trade and other payables (**)	(2,833.4)	11.6	91.5	(17.8)	(2,748.1)
Net working capital	**(54.5)**	**141.1**	**(41.5)**	**(10.4)**	**34.7**

(*) including current income tax asset

(**) including current income tax liability

Trade and other receivables are analyzed as follows:

	As at December 31, 2014	As at December 31, 2013
Trade receivables	1,958.8	1,850.3
Less impairment of trade receivables	(82.9)	(78.8)
Trade receivables net	**1,875.9**	**1,771.5**
Prepayments	77.1	57.0
Other receivables, net	344.3	367.2

	As at December 31, 2014	As at December 31, 2013
Employee, social and tax receivables	101.1	109.5
Trade and other receivables (*)	**2,398.4**	**2,305.2**

(*) including current income tax asset

Trade and other payables are analyzed as follows:

	As at December 31, 2014	As at December 31, 2013
Trade payables	1,043.1	1,179.4
Employee, social and tax payables	194.1	199.8
Other payables (mainly accruals for port call expenses, transportation costs, handling services)	1,510.9	1,454.2
Trade and other payables (*)	**2,748.1**	**2,833.4**

(*) including current income tax liability

Other payables include an amount payable in euros of USD 49.2 million owed to Merit Corporation, a related party (USD 58.8 million as at December 31, 2013). This payable bears interest at 7% per annum and mainly corresponds to dividends declared by the Company in 2007 and 2008 but which have not been paid yet.

Trade receivables and payables, including current income tax assets and liabilities, matures as follows:

	As at December 31, 2014	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	**2,398.4**	1,682.7	454.1	83.6	37.6	18.7	121.7
Trade and other payables	**2,748.1**	2,205.3	208.4	85.0	77.6	3.2	168.6

22. Securities and other current financial assets

Securities and other current financial assets as at December 31, 2014 include securities at fair value for an amount of USD 13.4 million (USD 221.8 million as at December 31, 2013) and other current financial assets for an amount of USD 63.7 million.

23. Cash and cash equivalents

	As at December 31, 2014	As at December 31, 2013
Cash on hand	921.0	546.7
Short term deposits	1,253.7	839.9
Restricted cash	11.8	23.8
Net cash and cash equivalents as per balance sheet	**2,186.5**	**1,410.4**
Bank overdrafts	(444.8)	(80.9)
Net cash and cash equivalents as per cash flow statement	**1,741.7**	**1,329.5**

"Restricted cash" includes margin calls related to the Company's derivative financial instruments amounting to USD 3.0 million as at December 31, 2014 (USD 17.8 million as at December 31, 2013). These amounts are called periodically by financial counterparts in accordance with the Company's standard International Swaps and Derivatives Association (ISDA) agreements.

24. Prepaid expenses and deferred income

Prepaid expenses, which include voyages in progress at year-end, amount to USD 249.4 million compared to USD 184.5 million in 2013. Current deferred income which mainly includes the same voyages in progress, amounts to USD 644.0 million compared to USD 600.6 million in 2013.

25. Assets classified as held-for-sale and related liabilities

As at December 31, 2014, assets classified as held-for-sale correspond to one vessel for an amount of USD 0.5 million.

As at December 31, 2013, assets held-for-sale related to a 8,400 TEU vessel that has been sold in March 2014 for an amount of USD 50 million, and subsequently leased back for a three-year period (see Note 8).

26. Share capital and other reserves

The share capital is fully constituted of ordinary shares with the exception of two preference shares held by Yildirim (one "A" preferred share) and the Fonds Strategique d'Investissement (FSI being now Banque Publique d'Investissement (Bpifrance)—one "C" preferred share).

In 2011 and 2013, Yildirim subscribed for USD 600 million to bonds mandatorily redeemable in the Company's preferred shares as at December 31, 2015. As at December 31, 2017, these preferred shares held by Yildirim will automatically be converted into ordinary shares of the Company giving access to 24% of the Company's ordinary shares on a fully diluted basis.

In June 2013, the FSI subscribed for USD 150 million to new bonds mandatorily redeemable in the Company's ordinary shares, giving access to 6% of the Company's ordinary shares upon conversion on a fully diluted basis. These bonds matures in December 2020.

Due to their characteristics, these above mentioned bonds resulted in an increase in the Company's equity for USD 331.6 million and an increase in borrowings, the remaining portion of the nominal amount being initially treated as borrowings, corresponding to the net present value of interest payable during the contractual maturity (see Note 27).

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.

The fully diluted share capital can be presented as follows:

Fully diluted share capital	Number of shares	% of share capital	Number of voting rights	% of voting rights
Outstanding shares as of December 31, 2014	10,578,357	70%	10,578,357	70%
Shares resulting from the conversion of bonds redeemable in shares subscribed by Yildirim in 2011	3,022,387	20%	3,022,387	20%
Shares resulting from the conversion of bonds redeemable in shares subscribed by Yildirim in 2013	604,477	4%	604,477	4%
Shares resulting from the conversion of bonds redeemable in shares subscribed by FSI (Bpifrance) in 2013	906,717	6%	906,717	6%
	15,111,939	**100%**	**15,111,939**	**100%**

Other comprehensive income reclassifiable to profit and loss break down as follows:

	As at December 31, 2014	As at December 31, 2013
Cash flow hedge	(101.1)	(108.8)
Available-for-sale financial assets	—	(1.1)
Share of other comprehensive income of associates	(0.5)	0.6
Deferred tax on reserve	7.6	5.6
Currency translation adjustments	(4.1)	71.4
Total Other Comprehensive Income	**(98.1)**	**(32.3)**

27. Borrowings

Borrowings 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, 2014	Reimbursement date: December 31,					
		2015	2016	2017	2018	2019	Onwards
Senior notes	**1,163.2**	18.7	18.6	414.1	365.2	346.6	—
Bonds redeemable in shares	**259.3**	61.8	69.3	77.9	18.4	15.2	16.7
Bank borrowings	**1,813.7**	392.7	271.2	235.3	241.4	128.1	545.0
Obligations under finance leases	**898.0**	110.1	127.3	100.8	101.6	91.3	366.9
Bank overdrafts	**444.8**	444.8	—	—	—	—	—

	As at December 31, 2014	Reimbursement date: December 31, 2015	2016	2017	2018	2019	Onwards
Securitization program	**845.2**	(1.8)	(1.9)	848.9	—	—	—
Other borrowings	**55.9**	44.4	4.6	0.6	0.7	0.8	4.8
Total	**5,480.1**	1,070.7	489.1	1,677.6	727.3	582.0	933.4

Variations in borrowings can be analyzed as follows:

	Senior notes	Bonds redeemable in shares	Bank borrowings	Obligations under finance leases	Bank overdrafts	Securitization program	Other borrowings	Total
Balance as at January 1, 2014	**1,279.2**	**314.3**	**2,027.6**	**1,214.5**	**80.9**	**664.1**	**175.0**	**5,755.6**
Proceeds from new borrowings	—	—	99.5	—	—	209.6	0.3	309.4
Other increase in borrowings	—	—	—	1.5	362.4	—	—	363.9
Repayment of financial borrowings, net of proceeds from refinancing	(25.4)	(55.5)	(390.4)	(141.1)	—	—	(108.7)	(721.1)
Accrued interests and fees amortization	3.3	0.5	2.8	12.8	—	(1.8)	(9.8)	7.8
Purchase option on finance lease—refinancing of borrowings	—	—	123.8	(123.8)	—	—	—	—
Purchase option on finance lease—tax benefit received allowing borrowings repayment—non cash transactions	—	—	—	(51.1)	—	—	—	(51.1)
Acquisition (disposal) of subsidiaries	—	—	—	—	2.2		—	2.2
Foreign currency translation adjustments	(93.9)	—	(49.6)	(14.8)	(0.7)	(26.7)	(0.9)	(186.6)
Balance as at December 31, 2014	**1,163.2**	**259.3**	**1,813.7**	**898.0**	**444.8**	**845.2**	**55.9**	**5,480.1**

Borrowings are related to the following assets and their respective average interest rates are as follows:

	Senior notes	Bonds redeemable in shares	Bank borrowings	Obligations under finance leases	Other borrowings, securitization and overdrafts	Average Interest rate before hedging and amortized cost
Vessels	80.0	—	1,300.2	789.7	—	4.89%
Containers	—	—	129.0	61.1	—	4.83%
Land and buildings	—	—	195.8	7.9	—	1.40%
Handling	—	—	—	7.8	—	4.51%
Other tangible assets	—	—	153.7	31.5	—	5.15%
General corporate purposes	1,083.2	259.3	35.0	—	1,345.9	5.40%
Total	**1,163.2**	**259.3**	**1,813.7**	**898.0**	**1,345.9**	

Financial cash-flows on borrowings including repayment of principal and financial interest have the following maturities. As required by IFRS 7, these cash-flows are not discounted:

	As at December 31, 2014	Reimbursement date: December 31,					
		2015	2016	2017	2018	2019	Onwards
Senior note	**1,555.1**	128.9	127.5	502.5	433.4	362.8	—
Redeemable Bonds	**328.7**	90.0	90.0	90.0	22.7	18.0	18.0
Bank borrowings	**2,084.7**	459.6	325.1	277.5	272.1	150.4	600.0
Obligations under finance leases	**1,192.9**	180.1	164.0	150.9	148.9	126.5	422.5
Bank overdrafts	**445.4**	445.4	—	—	—	—	—
Securitization program	**901.1**	17.9	17.9	865.3			
Other borrowings	**26.3**	12.3	5.2	1.1	1.0	1.1	5.6
Total	**6,534.2**	**1,334.2**	**729.7**	**1,887.3**	**878.1**	**658.8**	**1,046.1**

Bonds redeemable in shares

As a consequence of the coupon payments on bonds redeemable in shares, the Company records:

- a financial expense based on the market rate used to determine the liability component of these instruments; and
- a reduction in borrowings for the residual amount paid.

Securitization programs

In October 2014, the Company restructured its two securitization programs as follows with the following impacts on December 31, 2014:

- Reduction of the historical program for an equivalent amount of USD 433.9 million (EUR 340 million);
- Extension of the program entered into end 2013 by an amount of USD 643.5 million, such program being increased to USD 845.2 million as at December 31, 2014.

Such restructuring increased the Company's cash position by around USD 209.6 million which is presented in the table above and in the Consolidated Cash Flow Statement as a proceed from bank borrowings.

Other borrowings

During 2014, the company early repaid USD 102.0 million of vendor loans from shipyards accounted for in other borrowings as at December 31, 2013.

As at December 31, 2014, other borrowings include USD 32.9 million of accrued interests (USD 42.9 million as at December 31, 2013).

28. Provisions, retirement benefit obligations and contingent liabilities

Provisions are analyzed as follows:

	Employee benefits	Litigation	Other risks and obligations	Total	*of which current portion*
As at January 1, 2013	**120.1**	**82.0**	**14.5**	**216.6**	***14.8***
Additions for the year	16.7	27.3	149.7	**193.7**	
Reversals during the year (unused)	(5.6)	(12.0)	(0.1)	**(17.7)**	
Reversals during the year (used)	(10.3)	(17.4)	(23.8)	**(51.5)**	
Reclassification to / from other liabilities	0.1	—	1.2	**1.3**	
Actuarial gain / loss recognized in the OCI	(3.0)	—	—	**(3.0)**	
Foreign currency translation adjustment	1.0	0.5	0.4	**1.9**	
As at December 31, 2013	**119.0**	**80.4**	**141.9**	**341.3**	***25.5***
Additions for the year	16.5	16.6	65.6	**98.7**	
Reversals during the year (unused)	(0.5)	—	(0.6)	**(1.1)**	
Reversals during the year (used)	(10.2)	(12.5)	(55.2)	**(77.9)**	
Change in perimeter	4.2	—	—	**4.2**	
Actuarial (gain) / loss recognized in the OCI	13.2	—	—	**13.2**	
Foreign currency translation adjustment	(15.0)	(1.5)	(11.1)	**(27.6)**	
As at December 31, 2014	**127.2**	**83.0**	**140.6**	**350.8**	***19.7***

28.1 Provisions related to employee benefits

The Company's employees are generally entitled to pension benefits, in accordance with local regulations:

- Retirement and medical indemnities, 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).

In accordance with the regulatory environment and collective agreements, the Group has established defined contribution and defined benefit pension plans (company or multi-employer) in favor of employees.

- Defined contribution plans

Defined contribution plans are funded through independent pension funds or similar organizations.

Contributions fixed in advance (e.g. based on salary) are paid to these institutions and the beneficiary's right to benefits exists against the pension fund. The employer has no obligation of payment of the contributions.

The Group contributed USD 8.6 million its defined contribution plans in 2014 (USD 7.5 million in 2013).

- Defined benefit plans

Major defined benefit plans can be described as follows:

Retirement Indemnities (France)

French retirement indemnity is a lump sum paid by the company to the employees when they retire. The amount of this benefit depends on the length of service of the employee at the retirement date and is prescribed by collective bargaining agreements ("CBA"). Those agreements are negotiated by Unions' representatives of the employer and of the employees, by sector of activity and at a national level. Their application is compulsory. The retirement indemnities are not linked to other French standard retirement benefits, such as pensions provided by Social Security or complementary funds (ARRCO and AGIRC).

Article 23 (France)

The benefits consist of an annuity payable to a closed group of beneficiaries. All the beneficiaries are retired. This plan is not externalized to an insurer, and the annuities are directly paid by the employer.

Pensions are indexed each year based on the general salary increase of the company. The surviving spouse of a retiree is entitled to a pension equal to 60% of the pension benefit paid at time of death.

Jubilee Awards (France)

The benefits consist of a lump sum payable to employees when they reach different year's career service.

Asbestos/Hardness Indemnities (France)

In Terminal activities operated by certain of the Group's subsidiaries in France, employees having spent the required number of years under hardness qualifying work conditions and/or having been exposed to asbestos while working at the terminal are eligible to early retire 2 to 5 years ahead of normal retirement age.

The early retirement pensions are financed through state program (asbestos) and/or multi-employer program. As mentioned in Note 2, 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.

Nevertheless, at early retirement leave, the indemnity lump sum payable by the employer differs from the retirement indemnity, and have been set by a local collective bargaining agreement. These specific lump sum are taken into account to valuate the appropriate retirement indemnity of employees concerned.

Retirement Indemnities (Morocco)

Retirement indemnity in our subsidiaries in Morocco is a lump sum paid by the company to the employees when they retire. The amount of this benefit depends on the length of service of the employee at the retirement date and is prescribed by a collective bargaining agreements.

Medical insurance (Morocco)

The benefits provides continuous medical coverage to retirees and their dependants subject to conditions. The program is a top up plan supplementing the Assurance Maladie Obligatoire reimbursements and is insured through an insurance contract with a local insurer.

This estimated yearly reimbursement cost is indexed by 4% yearly in order to reflect the medical consumption and cost inflation.

Retirement Indemnities (The Netherlands)

Retirement indemnity in the Company's subsidiaries in Netherlands is a lump sum paid by the company to the employees when they retire. The amount of this benefit depends on the length of service of the employee at the retirement date and is prescribed by a collective bargaining agreements.

As of January 1, 2014 these pension plans have been amended, due to the normal retirement age being increase from 65 to 67 years. The effect on these amendments is reported as a past service cost.

Australian benefits

- Superannuation Plan

Retirement indemnity in certain of the Company's subsidiaries in Australia is a lump sum paid by the company to the employees when they retire or resignate from the Company. The amount of this benefit depends on the length of service of the employee at the retirement or resignation. This plan is closed to new benefit members.

- Annual Leave plans (Australia)

These unfunded plans provide a right to annual leave to employees depending of the length of service.

- Long Service Leave plans

These unfunded plans provide a right to long service leave to employees depending of the length of service varying by state.

Actuarial assumptions

The actuarial assumptions used for the principal countries are as follows:

	As at December 31, 2014			As at December 31, 2013		
	Euro Zone	**Morocco**	**Australia**	**Euro Zone**	**Morocco**	**Australia**
Discount rate	2.05%	4.41%	3.00%	3.05%	5.25%	4.30%
Future salary increase	3.10%	2.50%	4.00%	3.11%	2.50%	4.00%
Long-term inflation	2.00%	2.00%	2.50%	2.00%	2.00%	2.00%

- *Discount rates determination*

Euro zone: The Company used as a reference rate the IBoxx Corporate AA 10+ adjusted for the specific duration of its plans in Euro zone (around 15 years).

Morocco: The Company used a state bonds average rate due to a lack of liquidity on corporate market, reflecting the average duration of plans (around 13.8 years).

Australia : The Company used a state bonds average rate due to a lack of liquidity on corporate market, reflecting the average duration of plans (around 6.4 years).

- *Evolution of rates*

The situation of interest rates in the Euro zone resulted in a decreased discount rate being used to evaluate the Company's liability regarding pension and employee benefits. Mainly as a result of this change in discount rate, the Company recorded a loss of USD 13.2 million in other comprehensive income.

Amounts in the balance sheet are as follows:

	As at December 31, 2014	As at December 31, 2013
Liabilities	(161.9)	(149.9)
Assets	34.7	30.9
Net liability	**(127.2)**	**(119.0)**

The amounts recognized in the balance sheet are determined as follows:

	As at December 31, 2014	As at December 31, 2013
Present value of unfunded obligations	(117.9)	(111.0)
Present value of funded obligations	(44.0)	(38.9)
Fair value of plan assets	34.7	30.9
Net present value of obligations	**(127.2)**	**(119.0)**

Variations in the defined benefit obligations over the year are as follows:

	As at December 31, 2014	As at December 31, 2013
Beginning of year	**149.9**	**147.6**
Plan amendment—past service cost	**(1.1)**	(5.2)
Service cost	**9.7**	10.6
Interest cost	**4.9**	4.7
Actuarial losses/(gains)	**21.7**	1.0
Benefits paid	**(8.5)**	(9.1)
Employee contributions	**0.3**	0.3
Expenses Paid	**(0.0)**	(0.1)
Taxes paid	**(0.1)**	(0.1)
Premiums paid	**(0.0)**	—
Reclassification of liabilities associated to assets held for sale	**0.1**	(0.3)
Acquisition / disposal of subsidiaries and other	**3.9**	1.2
Plan curtailments	—	(0.5)
Exchange differences	**(18.7)**	(0.2)
End of year	**161.9**	**149.9**

Plan assets vary as follows:

	As at December 31, 2014	As at December 31, 2013
Beginning of year	**30.9**	**27.5**
Expected return on plan assets	**1.1**	0.8
Actuarial (losses)/gains	**4.8**	1.3
Benefits paid	**(0.2)**	(3.3)

	As at December 31, 2014	As at December 31, 2013
Employer contributions	**2.0**	4.7
Employee contributions	**0.3**	0.3
Expenses Paid	—	(0.2)
Taxes paid	**(0.1)**	(0.1)
Premiums paid	**(0.1)**	—
Acquisition of subsidiaries and other	**(0.0)**	1.1
Exchange differences	**(3.8)**	(1.2)
End of the year	**34.7**	**30.9**

The plan assets are invested as follows:

	As at December 31,	
	2014	2013
Cash and cash equivalents	2%	4%
Equity instruments	20%	22%
Debt instruments	4%	4%
Real estate	3%	4%
Assets held by insurance company	59%	55%
Other	12%	11%

The cumulated actuarial loss recognized in other comprehensive income amounts to USD 26.6 million as at December 31, 2014 (USD 13.4 million as at December 31, 2013).

The amounts recognized in the income statement are as follows:

	As at December 31, 2014	As at December 31, 2013
a. Current service cost excluding taxes, expenses, employees contributions and premiums	**9.7**	10.6
b. Administrative expenses and taxes	**0.1**	0.2
c. Employees contributions	—	—
d. Past service cost/curtailment	**(1.1)**	(5.2)
e. Non-routine settlements	—	(0.5)
Total service cost	**8.7**	**5.2**
a. Interest on the DBO (gains) / losses	**4.9**	4.7
b. Interest on Assets g/(l)	**(1.1)**	(0.8)
c. Interest on Assets ceiling (gains) / losses	—	—
d. Interest on reimbursement rights (gains) / losses	**(0.1)**	(0.1)
Total net interest	**3.7**	**3.8**
Remeasurements of Other Long Term Benefits	**3.6**	2.6
Benefit expense recognized in the income statement	**15.9**	**11.5**
Remeasurements (recognized in other comprehensive income)	**13.2**	**(3.0)**
Total defined benefit cost recognized in P&L and OCI	**29.1**	8.6

The amounts recognized in the Balance sheet in the net liability are as follows:

	As at December 31, 2014	As at December 31, 2013
Net liability as of beginning of year	**(119.0)**	(120.1)
Benefit expense recognized in the income statement	**(15.9)**	(11.5)
Remeasurements (recognized in other comprehensive income)	**(13.2)**	3.0
Employer contributions	**2.8**	5.6
Benefits paid directly	**7.4**	4.9
Acquisition / disposal of subsidiaries and other	**(4.2)**	0.2
Credit to reimbursements	—	—
Exchange differences	**15.0**	(1.1)
Net liability as of end of year	**(127.2)**	(119.0)

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, 2010	132.5	20.2	(112.3)	4.8	0.6
As at December 31, 2011	149.6	20.8	(128.8)	14.1	(1.7)
As at December 31, 2012	147.6	27.6	(120.1)	16.4	4.3
As at December 31, 2013	149.9	30.9	(119.0)	1.0	1.3
As at December 31, 2014	161.9	34.7	(127.2)	21.8	4.8

- *Sensitivity analysis*

The defined benefit obligation would have been as follows if the discount rate varied from +100bps or -100bps:

-100bps: DBO would be equal to USD 176.6 million;

+100bps: DBO would be equal to USD 134.7 million.

28.2 Provisions for litigation and other risks and obligations

Litigation

The provision for litigation as at December 31, 2014 corresponds to cargo related and other claims incurred in the normal course of business (same as at December 31, 2013). None of these claims taken individually represents a significant amount.

During the year ended December 31, 2013, a provision amounting to USD 25.0 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 12.0 million.

Other risks and obligations

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 in June 2013, which amounts to USD 103.3 million (USD 111.6 million as at December 31, 2013), down USD 8.3 million as a consequence of the payment occurred in 2014, the reassessment of the present value of such provision, the impact of foreign currency translation and unwinding of discount.

28.3 Contingent liabilities

Formal investigation 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 other shipping companies, is part of these investigations.

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 fully cooperates with the European Commission.

Legal proceedings initiated by Mistral (Holding) SAL before the courts in Syria

In September 2000, a settlement agreement was signed between Mr Jacques R. Saadé and Mr Johnny Saadé, personally and on behalf of their respective companies ending many years of dispute and legal proceedings related to the sale by Mistral (Holding) SAL of its interest in CMA CGM S.A.

As from 2004, Mr Johnny Saadé, CEO of Mistral (Holding) SAL has initiated various civil and commercial legal proceedings before Lebanese and French courts to seek a ruling that the above mentioned settlement agreement was null and void. All such actions have been rejected by civil and commercial jurisdictions in France and by civil courts in Beirut, Lebanon, up to their highest level of jurisdiction.

More recently, Mistral (Holding) SAL has decided to initiate new legal proceedings before the courts in Syria, notwithstanding any link to the territory of Syria.

In this context and by a judgment delivered on October 16, 2014 which seems to ignore previous contrary judgments in Lebanon and in France, the civil appeal court of Damascus ordered Mr Jacques R. Saadé, personally and in his capacity as CEO of CMA CGM S.A. and CEO of Merit (Holding) SAL, as well as other members of his family, to pay the amount of 595 million euros on the ground of "unjust enrichment". On December 14, 2014, the Syrian Supreme Court

disregarded all of the arguments submitted by Mr Jacques R. Saadé and other members of his family and rendered a similar final decision in less than five days.

In this context, Merit (Holding) SAL and the other defendants (including CMA CGM S.A) referred immediately to the Lebanese competent tribunal requesting the latter to declare—as a preventive measure—the Syrian court decision as unenforceable and non-evocable in Lebanon.

The Lebanese tribunal has thus ordered a stay of execution of the Syrian court decision on December 15, 2014. The hearings are scheduled on March 30, 2015 and the decision is expected during Q2 2015. The same procedure was undertaken in France before the First Instance Court of Marseille. The hearings are scheduled on April 23, 2015 and the decision is expected during Q2 2015.

On November 20, 2014, Mistral (Holding) SAL managed to obtain conservatory seizure orders from the Lebanese Courts over the assets of Mr Jacques R. Saadé family and those of CMA CGM S.A. in the hands of Merit (Holding) SAL in Lebanon. On February 19, 2015 the Execution Judge in Beirut ordered the release of the aforementioned seizures after having ascertained that the decision rendered by the civil appeal court of Damascus on October 16, 2014 (on the basis on which the seizures had been obtained) is contrary to the “res judicata” effect attached to the final decisions previously rendered by the Lebanese courts.

Based on the legal advices obtained, CMA CGM S.A. considers that this litigation should ultimately bear no adverse financial consequences for the company and accordingly no provision was booked in the annual consolidated financial statements as at December 31, 2014.

29. Commitments

29.1 Commitments on vessels and containers

Vessels and containers operated under time charters which qualify as operating leases

As at December 31, 2014 the Company operates 367 vessels under time charters (347 as at December 31, 2013).

The due dates of leases payable for 394 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, 2014—not discounted	**5,823.9**	616.9	3,152.3	1,658.5	396.2
Vessels under time charts payments as of December 31, 2014—discounted	**3,692.4**	563.9	2,236.5	763.0	129.0
Vessels under time charts payments as of December 31, 2013—not discounted	**6,444.7**	771.1	3,224.2	1,845.8	603.6
Vessels under time charts payments as of December 31, 2013—discounted	**4,026.6**	704.8	2,272.9	858.9	190.0

The amounts payable to ship-owners presented above only correspond to the equivalent bareboat charter payable and do not include running costs. The Company generally charters vessels under time charts which are composed of a bareboat and a running cost component. Running costs which typically include crew and technical maintenance approximate 17% 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 54% of the Group’s chartering expenses as the fleet under charter is composed of different sizes of vessels.

As at December 31, 2014, the Company is committed to pay time charters in relation to 27 vessels not yet delivered (28 vessels as at December 31, 2013). Such commitments are included in the table above and amount to USD 2,821 million on an undiscounted basis and USD 1,592 million on a discounted basis (respectively USD 3,019 million on an undiscounted basis and USD 1,579 million on a discounted basis as at December 31, 2013). The delivery of these vessels is scheduled to take place from 2015 to 2016.

The table above also includes commitments to Global Ship Lease Inc., a related party, for an undiscounted amount of USD 500 million as at December 31, 2014 (USD 652 million as at December 31, 2013).

In certain cases, the Group may benefit from non-bargain purchase options to acquire the vessel at the end of the lease term or non-bargain renewing options not taken into account in the above table.

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, 2014	**1,976.6**	502.2	1,280.5	193.9	—
Containers under time charts payments as of December 31, 2013	**1,961.0**	457.5	1,286.9	213.3	3.3

This table includes commitments to Investment and Financing Corp. Ltd., a related party, amounting to USD 108.2 million as at December 31, 2014 (USD 134.6 million as at December 31, 2013).

The total amount of operating lease payments related to vessels and containers was USD 2,127.2 million in 2014 (USD 2,047 million in 2013).

Commitments related to ordered vessels

During the year 2014, the Company ordered 3 vessels (see Note 4) which leads to an orderbook totalling 9 vessels.

As at December 31, 2014, the total orderbook corresponds to three 17,700 TEU container vessels and three 2,100 TEU container carriers to be delivered in 2015, as well as three newly ordered 2,500 TEU container carriers to be delivered in 2016. Financing has been obtained for the three 17,700 TEU vessels for an amount of USD 325,1 million on which USD 50.5 million have been used as at December 31, 2014. The Company is currently seeking for external financings for the six other vessels ordered.

The contractual commitments related to the construction of these vessels can be analyzed as follows (in USD million):

	As at December 31, 2014	As at December 31, 2013
Orderbook		
—units	9	6
—Remaining commitments, net of prepayments *	396.5	438.7
—Committed financings	274.6	325.5
** of which payable in:*		
2014	—	100.7
2015	302.3	338.0
2016	94.2	—
Total	**396.5**	**438.7**

The refund guarantees granted by the banks to the Company on behalf of the shipyards until the delivery is complete amount to USD 300.6 million as at December 31, 2014 (USD 179.1 million as at December 31, 2013). These guarantees relate to the construction of 9 vessels in 2014 (6 vessels in 2013).

In order to secure the financing of its orderbook, the Company partially transferred these guarantees and certain shipbuilding contracts to the benefit of its own banks for an amount of USD 191.2 million.

29.2 Commitments relating to concession fees

The Company carries out certain stevedoring activities under long-term concession arrangements with governmental bodies. Future minimum discounted payments under these arrangements amount to USD 24.2 million as at December 31, 2014 (USD 24.2 million as at December 31, 2013).

29.3 Other Financial Commitments

Other financial commitments primarily relate to the following:

Financial Commitments given

	As at December 31, 2014	As at December 31, 2013
Bank guarantees	105.0	155.4
Guarantees on terminal financing	101.8	143.6
Customs guarantees	10.3	11.9
Port authorities and administration	12.6	4.1
Office rented guarantees	33.0	27.8
Others guarantees granted for non-current assets	133.4	101.6
Mortgage on share of associates	1.7	1.9

	As at December 31, 2014	As at December 31, 2013
Pledge	658.7	458.5
Other	334.3	440.4

As at December 31, 2014, the Company transferred USD 1,183.2 million of trade receivables as collateral under a securitization program (USD 942.6 million as at December 31, 2013).

Financial Commitments received

	As at December 31, 2014	As at December 31, 2013
Guarantees received from independent shipping agents	5.6	6.7
Guarantees received from customers	12.2	8.3
Other financial commitments received	2.3	96.2

30. Related party transactions

For the purposes of this note, the following related parties have been identified:

- Terminal activities which mainly include Terminal Link and its subsidiaries.
- Shipping activities which mainly include Global Ship Lease, Inc. a ship-owner listed in the U.S. currently owning a fleet of 17 vessels of which 15 time chartered to CMA CGM under agreements ranging from September 2016 till October 2025.
- Shipping agencies which mainly include CMA CGM Korea, CMA CGM Qatar.
- Management and / or shareholder's related entities which mainly include:
  - Merit Corporation, incorporated in Lebanon, whose ultimate shareholders are Jacques R. Saadé and members of his immediate family, who owns approximately 97% of the share capital of the Company.
  - Yildirim, incorporated in Turkey, 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 200.0 million (USD 289.0 million). In 2013, Yildirm subscribed to new bonds mandatorily redeemable in preferred shares (See Note 4).
  - The Fonds Stratégique d'Investissement (FSI now Banque Publique d'Investissement (Bpifrance)), an investment fund established by the French Government in 2008 whose main mission is to consolidate the French companies share capital who need to find stable investors to finance their development projects. Bpifrance subscribed in 2013 to bonds mandatorily redeemable in shares issued by the Company (See 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.
  - A non-profit foundation "Fondation d'Entreprise CMA CGM" which promotes certain cultural activities.
- Others activities which mainly include joint ventures and associates in which CMA CGM has a stake:
  - 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.
  - INTTRA, a company whose activity is to develop e-commerce in the container shipping industry.

In May 2014, the Company distributed a dividend to its shareholders amounting to USD 40.0 million.

The related party transactions can be analysed as follows:

	Total Related Parties As at December 31,		Terminal activities As at December 31,		Shipping As at December 31,		Agencies As at December 31,		Management / Shareholder's related entities As at December 31,		Others As at December 31,	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Operating Income	**8.8**	**18.3**	3.8	8.5	—	—	2.9	3.7	1.5	5.1	0.6	1.1
Operating Expense	**(393.7)**	**(409.6)**	(99.4)	(89.7)	(135.9)	(145.7)	(3.4)	(5.8)	(37.1)	(31.0)	(117.8)	(137.4)
Other income and expenses and impairment	**(20.0)**	**(21.7)**	(4.4)	(21.7)	(15.6)	—	—	—	—	—	—	—
Financial Result	**(36.7)**	**(58.2)**	(8.0)	(28.4)	(7.9)	1.0	3.4	7.1	(31.6)	(42.2)	7.4	4.2

The balance sheet positions corresponding to the related parties listed above are:

	Total Related Parties As at December 31,		Terminal activities As at December 31,		Shipping As at December 31,		Agencies As at December 31,		Management / Shareholder's related entities As at December 31,		Others As at December 31,	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Non current assets	**70.1**	**139.4**	34.4	42.9	—	62.7	—	—	—	—	35.5	33.7
Current assets	**65.0**	**86.2**	32.1	50.3	3.6	2.4	6.4	11.0	16.7	20.1	6.2	2.4
Assets held for sale	—	—	—	—	—	—	—	—	—	—	—	—
Non current liabilities	**259.7**	**314.7**	103.3	111.6	—	—	—	—	259.3	314.3	0.4	0.4
Current liabilities	**58.2**	**102.2**	1.0	14.5	1.2	5.9	0.3	0.6	54.7	64.6	1.0	16.6

Included in current liabilities are the dividends declared and not yet paid to Merit amounting to USD 49.2 million. This amount bears interest at 7% (see Note 21).

Included in employee benefits are the key management compensations for a total amount of USD 3.0 million as at December 31, 2014 (USD 3.0 million as at December 31, 2013).

31. Scope of consolidation

As at December 31, 2014, the scope of consolidation comprises the companies or sub-groups disclosed in the tables below.

Freight securitization

The Group entered in late 2013 into a securitization transaction with certain financial institutions. As part of the transaction, a Special Purpose Vehicle (SPV) named CMA CGM & ANL Securities BV has been dedicated to purchase the trade receivables of certain shipping carriers. The SPV is structured in such a manner that the significant risks (e.g. Forex risk, late payment risk, credit risk, etc.) remain with the sellers. As consequence, the SPV has been consolidated since inception.

Asset financing

As part of certain lease arrangements, the Company may be partly involved with Special Purpose Vehicles (SPV) owning the asset. The control over these SPVs is assessed based on all facts and circumstances. It is primarily assessed based on IAS 17 principles, and specifically the analysis of the transfer of the risks and rewards such as credit risk and residual value risk. Basically, whether the lease is classified as a finance lease, the SPV is consolidated and whether the lease is classified as an operating lease, the SPV is deemed as not being controlled and therefore not consolidated.

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	*Singapore*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
ATLAS NAVIGATION	*Morocco*	99.50%	Full
CHENG LIE NAVIGATION CO, LTD	*Taiwan*	99.28%	Full
CMA CGM ANTILLES GUYANE	*France*	100.00%	Full
CMA CGM INTERNATIONAL SHIPPING PTE LTD	*Singapore*	100.00%	Full
CMA CGM LIBYA	*Libya*	100.00%	Full
CMA CGM SHIPS	*Morocco*	99.72%	Full
CMA CGM UK SHIPPING	*United Kingdom*	100.00%	Full
CMA SHIPS SAS	*France*	100.00%	Full
CMA SHIPS SINGAPORE	*Singapore*	100.00%	Full
CNC LINE LTD	*Taiwan*	99.28%	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*	100.00%	Full
MARBAR MARITIME	*Morocco*	99.50%	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
SNC ARENC BAIL 1	*France*	100.00%	Full
SNC ATLANTIC 1815	*France*	100.00%	Full
SNC ATLANTIC 1816	*France*	100.00%	Full
SNC ATLANTIC 1817	*France*	100.00%	Full
SNC CORTE REAL BAIL	*France*	100.00%	Full
SNC CYPRES BAIL 1	*France*	100.00%	Full
SNC MAGELLAN BAIL	*France*	100.00%	Full
SNC MUSCA BAIL	*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*	51.00%	Full
ANL (CHINA) Limited-HK	*Hong Kong*	100.00%	Full
ANL (CHINA) Limited-PRC	*China*	100.00%	Full
ANL AGENCIES PNG LTD	*Papua New Guinea*	51.00%	Full
ANL EUROPE BV	*The Netherlands*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM & ANL PHILIPPINES INC	*The Philippines*	100.00%	Full
CMA CGM ABU DHABI	*United Arab Emirates*	65.00%	Full
CMA CGM AGENCES France	*France*	99.90%	Full
CMA CGM AGENCIES INDIA Pvt Ltd	*India*	100.00%	Full
CMA CGM ALGERIE	*Algeria*	80.00%	Full
CMA CGM AMERICA LLC	*United States of America*	100.00%	Full
CMA CGM AND ANL HONG KONG	*Hong Kong*	100.00%	Full
CMA CGM AND ANL MALAYSIA SDN BHD	*Malaysia*	100.00%	Full
CMA CGM AND ANL SINGAPORE	*Singapore*	100.00%	Full
CMA CGM AND ANL TAIWAN LTD	*Taiwan*	100.00%	Full
CMA CGM ANL (New Zealand) Ltd	*New Zealand*	100.00%	Full
CMA CGM ANL DUBAI	*United Arab Emirates*	65.00%	Full
CMA CGM ARGENTINA SA	*Argentina*	100.00%	Full
CMA CGM AUSTRALIA	*Australia*	100.00%	Full
CMA CGM BELGIUM	*Belgium*	100.00%	Full
CMA CGM BOLIVIA	*Bolivia*	99.95%	Full
CMA CGM BRAZIL	*Brazil*	100.00%	Full
CMA CGM CANADA	*Canada*	100.00%	Full
CMA CGM CENTRAL ASIA	*Kazakhstan*	60.00%	Full
CMA CGM CHILE SA	*Chile*	100.00%	Full
CMA CGM CHINA	*China*	100.00%	Full
CMA CGM COLOMBIA	*Colombia*	100.00%	Full
CMA CGM COSTA RICA	*Costa Rica*	55.00%	Full
CMA CGM CROATIA	*Croatia*	100.00%	Full
CMA CGM DELMAS NIGERIA	*Nigeria*	66.70%	Full
CMA CGM DEUTSCHLAND	*Germany*	100.00%	Full
CMA CGM DOMINICANA	*Dominicana*	51.00%	Full
CMA CGM EAST AND SOUTH INDIA	*India*	100.00%	Full
CMA CGM ECUADOR	*Ecuador*	99.90%	Full
CMA CGM EGYPT	*Egypt*	100.00%	Full
CMA CGM ESTONIA LTD	*Estonia*	100.00%	Full
CMA CGM FINLAND	*Finland*	100.00%	Full
CMA CGM GLOBAL INDIA	*India*	51.00%	Full
CMA CGM GREECE	*Greece*	100.00%	Full
CMA CGM HOLLAND BV	*The Netherlands*	100.00%	Full
CMA CGM HUNGARY	*Hungary*	100.00%	Full
CMA CGM IBERICA	*Spain*	100.00%	Full
CMA CGM IRELAND	*Ireland*	100.00%	Full
CMA CGM ITALY	*Italy*	100.00%	Full
CMA CGM JAMAICA LTD	*Jamaica*	100.00%	Full
CMA CGM JAPAN	*Japan*	100.00%	Full
CMA CGM KENYA	*Kenya*	65.00%	Full
CMA CGM LATVIA Ltd	*Latvia*	100.00%	Full
CMA CGM MADAGASCAR	*Madagascar*	100.00%	Full
CMA CGM MALAYSIA SDN BHD	*Malaysia*	100.00%	Full
CMA CGM MAROC	*Morocco*	80.00%	Full
CMA CGM MEXICO	*Mexico*	100.00%	Full
CMA CGM MOZAMBIQUE	*Mozambique*	65.00%	Full
CMA CGM NOUMEA	*France (Nouvelle-Calédonie)*	100.00%	Full
CMA CGM PAKISTAN (PVT) LTD	*Pakistan*	60.00%	Full
CMA CGM PANAMA	*Panama*	100.00%	Full
CMA CGM PAPEETE	*France (French Polynesia)*	100.00%	Full
CMA CGM PERU SA	*Peru*	100.00%	Full
CMA CGM POLSKA LTD	*Poland*	100.00%	Full
CMA CGM PORT SAID NAVIGATION	*Egypt*	100.00%	Full
CMA CGM PORTUGAL	*Portugal*	60.00%	Full
CMA CGM REUNION	*France (Réunion)*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM ROMANIA	*Romania*	51.00%	Full
CMA CGM RUSSIA	*Russia*	100.00%	Full
CMA CGM SCANDINAVIA—AS Norway	*Norway*	100.00%	Full
CMA CGM SCANDINAVIA AS—Denmark	*Denmark*	100.00%	Full
CMA CGM SCANDINAVIA AS—Sverige	*Sweden*	100.00%	Full
CMA CGM SERBIA	*Serbia*	100.00%	Full
CMA CGM SHIPPING AGENCIES UKRAINE	*Ukraine*	100.00%	Full
CMA CGM SLOVENIA	*Slovenia*	100.00%	Full
CMA CGM ST LUCIA LTD	*Saint Lucia*	100.00%	Full
CMA CGM ST MARTEEN	*The Netherlands*	51.00%	Full
CMA CGM STH AFRICA	*South Africa*	100.00%	Full
CMA CGM SUDAN	*Sudan*	100.00%	Full
CMA CGM TRINIDAD	*Trinidad-et-Tobago*	100.00%	Full
CMA CGM TURKEY	*Turkey*	94.80%	Full
CMA CGM UKRAINE	*Ukraine*	55.00%	Full
CMA CGM URUGUAY	*Uruguay*	100.00%	Full
CMA CGM VENEZUELA	*Venezuela*	100.00%	Full
COMARINE	*Morocco*	89.92%	Full
COMPAGNIE GENERALE DE L'ATLANTIQUE	*France*	100.00%	Full
DELMAS BENIN	*Benin*	51.00%	Full
DELMAS CAMEROUN	*Cameroun*	51.00%	Full
DELMAS CHINA SHIPPING CO LTD	*China*	100.00%	Full
DELMAS CONGO	*Congo*	50.80%	Full
DELMAS COTE D'IVOIRE	*Ivory Coast*	65.00%	Full
DELMAS GABON	*Gabon*	50.80%	Full
DELMAS GHANA	*Ghana*	63.90%	Full
DELMAS HONG KONG LTD	*Hong Kong*	100.00%	Full
DELMAS RDC	*Congo*	51.00%	Full
DELMAS SENEGAL	*Senegal*	50.90%	Full
DELMAS TOGO	*Togo*	50.80%	Full
DEXTRA MAGHREB	*Morocco*	99.49%	Full
France MARITIME AGENCY	*Mauritius*	100.00%	Full
MAC ANDREWS NETHERLANDS BV	*The Netherlands*	100.00%	Full
MAC ANDREWS SA	*Spain*	100.00%	Full
SOMARIG	*France (Guyane)*	100.00%	Full
SUDCARGOS ALGERIE SPA	*Algeria*	51.70%	Full
UAB CMA CGM LIETUVA	*Lithuania*	100.00%	Full
HANDLING ACTIVITY			
ALTERCO	*Algeria*	58.98%	Full
CGA AND CIE SAS	*France*	100.00%	Full
CMA TERMINALS	*France*	100.00%	Full
GMG	*France (Guadeloupe)*	100.00%	Full
GMM	*France (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
MARSEILLE MANUTENTION	*France*	100.00%	Full
UDEMAC	*Morocco*	94.67%	Full
CONTAINERS (MAINTENANCE & REPAIRS) ACTIVITY			
ANL CONTAINER HIRE AND SALES PTY LTD	*Australia*	81.00%	Full
ANL CONTAINER PARK PTY LTD	*Australia*	100.00%	Full
PROGECO BELGIUM NV	*Belgium*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
PROGECO DEUTSCHLAND GMBH	*Germany*	100.00%	Full
PROGECO DO BRAZIL	*Brazil*	100.00%	Full
PROGECO France	*France*	100.00%	Full
PROGECO HOLLAND BV	*The 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 AMERICA	*United States of America*	100.00%	Full
CMA CGM LOGISTICS EGYPT	*Egypt*	100.00%	Full
CMA CGM LOGISTICS	*France*	100.00%	Full
CMA CGM LOGISTICS N.V BELGIUM	*Belgium*	100.00%	Full
TCX MULTIMODAL LOGISTICS	*France*	100.00%	Full
RAIL ACTIVITY			
GREENMODAL TRANSPORT	*France*	100.00%	Full
RAIL LINK ALGERIA	*Algeria*	55.00%	Full
REAL ESTATE ACTIVITY			
CMA CGM HOLLAND PYRAMIDS BV	*The Netherlands*	100.00%	Full
CMA CGM IMMO SCI	*France*	100.00%	Full
CMA CGM PYRAMIDES France	*France*	100.00%	Full
CMA CGM PYRAMIDS EGYPT	*Egypt*	100.00%	Full
CMA CGM PYRAMIDS Malaysia	*Malaysia*	100.00%	Full
CMA CGM PYRAMIDS Norfolk	*United States of America*	100.00%	Full
CMA CGM PYRAMIDS UKRAINE	*Ukraine*	100.00%	Full
CMA CGM PYRAMIDS USA LLC	*United States of America*	100.00%	Full
PT PYRAMIDES Indonesia	*Indonesia*	98.50%	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*	100.00%	Full
MAC ANDREWS TOUR SA	*Spain*	100.00%	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
FINANCIAL HOLDING			
CMA CGM HOLDING BV	*The Netherlands*	100.00%	Full
CMA CGM OVERSEAS (Taiwan) INVESTMENT LTD	*Taiwan*	100.00%	Full
CMA CGM OVERSEAS INVESTMENT Holland BV	*The Netherlands*	100.00%	Full
CMA CGM PARTICIPATIONS	*France*	100.00%	Full
CMA CGM UK HOLDING	*United Kingdom*	100.00%	Full
CMA CGM AGENCIES WORLDWIDE	*France*	100.00%	Full
CMA TERMINALS CALIFORNIA	*United States of America*	100.00%	Full
CMA TERMINALS HOLDING	*France*	100.00%	Full
OTHER ACTIVITIES			
CMA CGM & ANL Securities B.V.	*The Netherlands*	99.99%	Full
CMA CGM GLOBAL AGENCY Pte Ltd	*Singapore*	100.00%	Full
CMA CGM Shared Service Center India	*India*	100.00%	Full
CMA SHIPS UK	*United Kingdom*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA SKY LINK Ltd	*United Kingdom*	100.00%	Full
Associates and joint ventures are disclosed in the table below			
TERMINAL LINK GROUP	*France*	51.00%	Equity method
AMEYA LOGISTICS PRIVATE LTD	*India*	50.00%	Equity method
BROOKLYN KIEV PORT LTD	*Ukraine*	50.00%	Equity method
CMA CGM KOREA	*South Korea*	50.00%	Equity method
CMA MUNDRA TERMINAL Pvt Ltd	*India*	50.00%	Equity method
CMA SYSTEMS	*France*	50.00%	Equity method
OTHL	*Cyprus*	50.00%	Equity method
CMA CGM BANGLADESH SHIPPING LTD	*Bangladesh*	49.00%	Equity method
CMA CGM JORDAN	*Jordan*	49.00%	Equity method
CMA CGM KUWAIT	*Kuwait*	49.00%	Equity method
GEMARTRANS	*Vietnam*	49.00%	Equity method
OSCO	*Ukraine*	46.80%	Equity method
INTERRAF	*Ukraine*	45.00%	Equity method
GLOBAL SHIP LEASE	*Marshall Islands*	44.72%	Equity method
CMA CGM LANKA	*Sri Lanka*	40.00%	Equity method
CMA CGM QATAR	*Qatar*	40.00%	Equity method
GEMALINK	*Vietnam*	25.00%	Equity method
PROGECO BILBAO SA	*Spain*	25.00%	Equity method
DAMIETTE INTERNATIONAL PORT	*Egypt*	20.00%	Equity method
PACIFIC MARITIME SERVICE	*United States of America*	10.00%	Equity method

32. Post balance sheet events

Implementation of OCEAN THREE

The operational implementation of OCEAN THREE occurred in January 2015, through the successive departure of the first vessels under the new offering of services.

Partnership with Hamburg Süd

In February 2015, the group signed with Hamburg Süd, a German shipping company, a new partnership agreement to provide the market with competitive and innovative solutions, which will be among the best in terms of coverage, frequency and transit time in North and South America.

PricewaterhouseCoopers Audit
Les Docks – Atrium 10.1
10 place de la Joliette – BP 81525
13567 Marseille Cedex 02

KPMG Audit
480 Avenue du Prado – CS90021
13272 Marseille Cedex 08

CMA CGM S.A.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013

This is a free translation into English of the statutory auditors' report on the consolidated financial statement issued in the French language and is provided solely for the convenience of English speaking users. 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, 2013

To the shareholders,
CMA CGM S.A.
4 Quai d'Arenc
13002 Marseille

In compliance with the assignment entrusted to us by the Shareholders' General Meeting, we hereby report to you, for the year ended December 31, 2013, 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, 2013, 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:

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, determining the useful lives and residual values of the vessels and measuring deferred tax assets, financial instruments, demurrage receivables and accruals for port call expenses, transportation costs and handling services and provision for risks and impairment of prepayments related to the cancellation of vessels orders.

Our procedures consisted in assessing the data and assumptions underlying these judgements and estimates, reviewing, using sampling techniques, the calculations performed by the company and verifying the appropriateness of disclosures provided in the notes to the consolidated financial statements on the assumptions and options adopted by the company.

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 28, 2014

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

Philippe Willemin
Partner

KPMG Audit

A Division of KPMG S.A.
Georges Maregiano
Partner

CONSOLIDATED FINANCIAL STATEMENTS

* *
*

Year ended December 31, 2013

Consolidated Income Statement
For the year ended December 31, 2013

(in USD thousand, except for earnings per share)

	Note	For the twelve month period ended December 31, 2013	2012
REVENUE	(5)	15,901,548	15,923,229
Operating expenses	(6) & (7)	(14,877,909)	(14,617,766)
OPERATING PROFIT BEFORE GAINS ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES, DEPRECIATION & AMORTIZATION, etc.	(5)	**1,023,640**	**1,305,463**
Gains on disposal of property and equipment and subsidiaries	(8)	343,846	18,873
Depreciation and amortization of non-current assets	(16)	(423,385)	(405,585)
Other income and expenses	(4) & (9)	(123,030)	(45,359)
Net present value (NPV) benefit related to assets	(10)	136,836	95,357
Share of profit (or loss) of associates and joint ventures	(18)	18,769	39,106
OPERATING PROFIT		**976,675**	**1,007,854**
Cost of net debt	(11)	(432,198)	(409,911)
Other financial items	(12)	(13,118)	(63,893)
FINANCIAL RESULT		**(445,316)**	**(473,804)**
PROFIT BEFORE TAX		**531,359**	**534,050**
Income taxes	(13)	(100,896)	(64,655)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**430,463**	**469,396**
Profit / (loss) for the year from discontinued operations		—	(108,783)
PROFIT FOR THE YEAR	(5)	**430,463**	**360,613**
Attributable to:			
OWNERS OF THE PARENT			
Profit for the year from continuing operations		407,814	440,819
Profit for the year from discontinued operations		—	(108,783)
PROFIT FOR THE YEAR	(5)	**407,814**	**332,036**
NON CONTROLLING INTERESTS			
Profit for the year from continuing operations		22,649	28,576
PROFIT FOR THE YEAR		**22,649**	**28,576**
EARNINGS PER SHARE FOR THE YEAR			
Earnings per share basic and diluted attributable to the owners of the parent company (in U.S. Dollars) from continuing operations		*29.3*	*35.6*
Earnings per share basic and diluted attributable to the owners of the parent company (in U.S. Dollars) from discontinued operations		—	*(10.3)*

The accompanying notes are part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2013

(in USD thousand)

	For the twelve month period ended December 31,	
	2013	**2012**
PROFIT FOR THE YEAR	**430,463**	**360,613**
Other comprehensive income reclassifiable to Profit and Loss		
Cash flow hedges:		
Gains / (losses) arising during the year	2,025	(57,857)
Recycling to the income statement	(16,576)	46,197
Share of other comprehensive income of associates	834	(973)
Income tax relating to components of other comprehensive income (*):		
Gains / (losses) arising during the year	(784)	(1,275)
Currency translation adjustment related to foreign subsidiaries, associates and joint ventures	21,031	26,734
Other comprehensive income non reclassifiable to Profit and Loss		
Remeasurment of defined benefit pension plans	2,972	(8,653)
Remeasurment of defined benefit pension plans of associates	738	—
Total other comprehensive income, net of tax	**10,239**	**4,174**
Total comprehensive income for the year	**440,702**	**364,787**
Total comprehensive income attributable to:		
Owners of the parent company	418,820	335,972
Non-controlling interest	21,882	28,814
	440,702	364,787

(*) The income tax related to each component of other comprehensive income is disclosed in note 17

The accompanying notes are part of the consolidated financial statements.

Consolidated Balance Sheet—Assets
As at December 31, 2013

(in USD thousand)

	Note	As at December 31, 2013	As at December 31, 2012
Goodwill	(14)	299,751	298,052
Other intangible assets	(15)	204,040	189,932
INTANGIBLE ASSETS		**503,791**	**487,984**
Vessels	(16)	6,120,542	6,041,289
Containers	(16)	605,070	738,442
Land and buildings	(16)	620,434	627,474
Other property and equipment	(16)	119,420	123,532
PROPERTY AND EQUIPMENT		**7,465,467**	**7,530,737**
Deferred tax assets	(17)	40,780	63,103
Investments in associates and joint ventures	(18)	722,668	474,369
Non-current derivative financial instruments	(19)	3,762	4,217
Other non-current financial assets	(20)	891,915	926,392
NON-CURRENT ASSETS		**9,628,383**	**9,486,803**
Inventories	(22)	473,686	484,521
Trade and other receivables	(23)	2,305,246	2,230,527
Current derivative financial instruments	(19)	4,897	12,245
Securities	(24)	221,827	12,005
Cash and cash equivalents	(25)	1,410,447	601,309
Prepaid expenses	(26)	184,454	203,427
Assets classified as held-for-sale	(27)	47,473	610,135
CURRENT ASSETS		**4,648,030**	**4,154,169**
TOTAL ASSETS		**14,276,413**	**13,640,971**

The accompanying notes are part of the consolidated financial statements.

Consolidated Balance Sheet—Liabilities & Equity
As at December 31, 2013

(in USD thousand)

	Note	As at December 31, 2013	As at December 31, 2012
Share capital		169,200	169,200
Reserves and retained earnings		3,914,878	3,488,466
Profit / (Loss) for the year attributable to the equity owners of the parent company		407,813	332,037
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		**4,491,892**	**3,989,703**
Non-controlling interests		49,232	49,653
TOTAL EQUITY		**4,541,124**	**4,039,357**
Non-current financial debt (*)	(29)	4,823,242	1,616,881
Non-current derivative financial instruments	(19)	76,737	79,642
Deferred tax liabilities	(17)	51,405	39,598
Provisions and retirement benefit obligations	(30)	315,762	201,720
Non-current deferred income		6,777	14,724
NON-CURRENT LIABILITIES		**5,273,923**	**1,952,566**
Current financial debt (*) (**)	(29)	932,310	3,946,270
Current derivative financial instruments	(19)	40,038	53,812
Current portion of provisions	(30)	25,523	14,799
Trade and other payables	(23)	2,833,369	2,774,878
Current deferred income	(26)	600,604	644,697
Liabilities associated with assets classified as held-for-sale	(27)	29,522	214,593
CURRENT LIABILITIES		**4,461,367**	**7,649,049**
TOTAL LIABILITIES & EQUITY		**14,276,413**	**13,640,971**
(*) Total Financial debt current and non-current	(29)	*5,755,552*	*5,563,151*

(**) Including in 2012 the financial debt for which a breach was identified for USD 2,124 million (see Note 4)

The accompanying notes are part of the consolidated financial statements.

Consolidated Statement of changes in Equity
As at December 31, 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 year recognized directly in other comprehensive income		—	—	(22,515)	26,451	—	**3,936**	**238**	**4,174**
Profit 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	—	—	—
Change in perimeter and transactions 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**
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 year recognized directly in other comprehensive income		—	—	(10,857)	21,864	—	11,006	(767)	10,239
Profit for the year		—	—	—	—	407,813	**407,813**	22,649	**430,463**
Total income & expense for the year		—	—	(10,857)	21,864	407,813	**418,820**	21,882	**440,702**
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 transaction		—	(6,319)	556	1,182	—	**(4,581)**	(3,597)	**(8,179)**

	Number of shares	Attributable to the equity owners of the parent Share capital	Reserves Premium, legal reserves and retained earnings	Other reserves	Currency translation adjustments	Profit / (Loss) for the period	**TOTAL**	**Non-controlling interests**	**Total Equity**
s with non controlling interests									
Dividends		—	(24,988)	—	—	—	**(24,988)**	(18,707)	**(43,695)**
Balance as at December 31, 2013	**10,578,357**	**169,200**	**3,956,167**	**(112,718)**	**71,430**	**407,813**	**4,491,892**	**49,232**	**4,541,124**

The accompanying notes are part of the consolidated financial statements.

Consolidated Cash Flow Statement
For the year ended December 31, 2013

(in USD thousand)

	Note	For the twelve month period ended December 31, 2013	2012
Profit for the period		**430,463**	**360,613**
Reconciliation of profit for the period to cash generated from operations:			
—Depreciation and amortization	(16)	423,385	405,585
—NPV benefit related to vessels	(10)	(136,836)	(95,357)
—Allowance / (Reversal) of impairment of assets	(4) & (9)	123,030	45,359
—Discontinued operations		—	108,783
—(Increase) / Decrease in provisions		31,927	47,026
—Loss / (Gains) on disposals of property and equipment and subsidiaries	(8)	(343,846)	(18,873)
—Net fair value (gains) / losses on derivative financial instruments		(20,689)	(31,979)
—Share of (Income) from associates and joint ventures	(18)	(18,769)	(39,106)
—(Gains) / Losses on disposals and change in fair value of securities		(710)	(1,286)
—Interest expenses on net financial debt		373,500	401,451
—Deferred tax	(13)	33,896	7,203
—Other non cash items		32,141	2,728
—Unrealized exchange (Gain) / Losses		44,896	38,636
Changes in working capital:			
—Inventories		10,140	33,288
—Trade and accounts receivable		(77,279)	(160,081)
—Prepaid expenses		(2,918)	71,527
—Trade and other payables		76,147	(183,897)
—Deferred income		5,572	(7,075)
Cash flow from operating activities		**984,051**	**984,546**
Purchases of intangible assets		(25,185)	(25,382)
Disposals of subsidiaries, net of cash divested		514,275	—
Purchases of property and equipment		(249,360)	(100,759)
Increase in assets held-for-sale		440	—
Purchases of non consolidated investments and other financial assets		(5,943)	(44,495)
Proceeds from disposal of property and equipment		173,643	66,003
Proceeds from disposal of assets classified as held-for-sale		8,673	123,897
Proceeds from the disposal of / (purchase of) securities, net		(216,775)	5,652
Proceeds from disposal of financial assets		586	(939)
Dividends received from associates and joint ventures		17,771	6,459
Variation in other non-current financial assets		126,226	(213,891)
Net cash provided by / (used for) investing activities		**344,351**	**(183,455)**
Issuance of bonds redeemable in shares		250,000	—
Dividends paid to the owners of the parent company and non-controlling interest		(62,295)	(18,042)
Proceeds from bank borrowings, net of issuance costs		957,992	109,404
Repayments of bank borrowings		(1,155,963)	(386,694)
Principal repayments on finance leases		(187,218)	(208,479)
Decrease in liabilities associated with assets held-for-sale		(6,279)	(74,913)
Interest paid on net financial debt		(380,862)	(388,334)
Refinancing of assets		73,111	52,293
Fees on debt restructuring		(36,606)	—
Interest expenses on late vessels deliveries		(36,094)	—
Acquisition of non-controlling interests		—	(10,500)
Net cash provided by / (used for) financing activities		**(584,214)**	**(925,264)**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		2,897	(3,608)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**747,085**	**(127,781)**
Cash and cash equivalents as per balance sheet		1,410,447	601,309
Cash reported in assets held-for-sale		—	26,435
Bank overdrafts		(80,926)	(45,308)
Cash and cash equivalents and bank overdrafts at the end of the period	(25)	**1,329,521**	**582,436**
Supplementary information: non cash investing or financing activities:			
—Assets acquired through finance leases or equivalents		*322,877*	*208,114*
Supplementary information: financial interest:			
—Cash inflow from interest		*15,835*	*7,503*
—Cash outflow from interest		*(391,714)*	*(437,444)*

The accompanying notes are part of the 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, 2013 were approved by the Board of Directors on March 28, 2014.

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, marketable securities 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.

The annual consolidated financial statements as at December 31, 2013 have been prepared on a going concern basis, which management considers appropriate based on (i) its assessment of the future level of profitability and cash flows to be generated by operations, (ii) the level of cash available and (iii) the completion of the financial restructuring.

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 as at December 31, 2013.

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.

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.

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 equity interests 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 no longer accounted for under the equity method 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, 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 annual consolidated financial statements.

- Amendment to IAS 1—Presentation of financial statements

The amendment to IAS 1 changes the grouping of items presented in other comprehensive income (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 annual 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 annual 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 annual consolidated financial statements

- Improvements to IFRS—2009—2011 cycle

This cycle includes 6 amendments to 5 standards. Their application did not have any impact these annual 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 (replacement of IAS 27 revised)

IFRS 10 introduces a new control model focusing on whether the Company has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

In accordance with the transitional provisions of IFRS 10, Management reassessed the control conclusion for its investees and does not expect a major impact on the financial situation and the performance of the Company.

- IFRS 11—Joint arrangements (replacement of IAS 31)

IFRS 11 focuses on the classification of the interests in joint arrangements either as joint operations or joint ventures. It depends on the Company's rights to the assets and obligations for the liabilities of the arrangements. IFRS 11 removes the option to account for jointly-controlled entities using the proportionate consolidation method. Instead entities that are defined as joint ventures must be accounted for using the equity method.

The Company has been following the equity method of accounting for all its jointly controlled entities.

This standard will therefore not have a major impact on the Company's financial position and performance.

- IFRS 12—Disclosure of interests in other entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements and the disclosures included in IAS 31 and IAS 28. These disclosures concern an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

The Company will enhance disclosure as required by this new standard.

- Amendments to IAS 36—Impairment of Assets

These amendments were adopted by the EU regulation n°1374/2013 as at December 18, 2013.

When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets. The scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2014.

- Amendments to IFRIC 21

The IASB issued IFRIC Interpretation 21 Levies, which clarifies the accounting for levies imposed by governments. The scope of the interpretation is broad and covers all levies, except outflows that are in the scope of IAS 12 Income Taxes and penalties for breaches of legislation. This interpretation should be applied for annual periods beginning on or after January 1, 2014.

- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions

The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Other IASB projects

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 would 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 would be split into an amortization expense of an intangible asset and a financial expense, except for the running costs which would 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 impairment testing of 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 terminal operations, when the Company fully controls the entity, 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.
  - Regarding the 51% stake in Terminal Link (see Note 4), which is accounted for under the equity method, the Company considers it as a CGU as (i) the terminals are managed as a group of diversified terminals in terms of size, location and nature of operations (transshipment or domestic) and (ii) the activity, including cash management and the allocation of resources, is monitored at the level of Terminal Link SAS, the parent company.
- 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 post-tax discount rates used for testing purposes vary between 7.3% and 12.0% (8.3% to 12% in 2012), depending upon the inherent risk of each activity tested.
- The perpetual growth rate applied to periods subsequent to those covered by management's business plan was generally set at zero except for terminal operations for which the concessions cover a long-term period, in which case the perpetual growth rate varies between 2% and 4.5%.

In 2013, impairment losses have been recognized on certain individual terminal investments (See Note 4). In 2012, 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 and demand will be more balanced.

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 lowered by USD 1,125.8 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 3.4%.

Regarding the 51% stake in Terminal Link, which was measured at fair value at the date of the transaction, which took place on June 11, 2013, the value in use is necessarily close to the carrying amount as at December 31, 2013 and any sensitivity analysis would not be pertinent.

Determination of the vessels useful lives and residual values

The depreciation of vessels is a significant charge for the Company. Vessels are depreciated over their expected useful lives to a residual value.

Useful lives and residual values are reassessed regularly based on available information such as the age of vessels in service on the market and the average age of scrapped vessels. This assessment also reflects current technology, service potential and vessel structure. This approach excludes short-term market fluctuations to the extent possible. Changes to estimates of useful lives and residual values may affect the depreciation expenses significantly.

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 based its estimates on the fact that the French tonnage tax regime has been renewed in 2013 for a 10-year period. 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.

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

The amount of 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 to cancel certain vessel orders. As at December 31, 2013, 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**	
	2013	**2012**	**2013**	**2012**
Euro	0.72511	0.75792	0.75314	0.77792
British pounds sterling	0.60452	0.61854	0.63959	0.63095
Australian Dollar	1.11834	0.96347	1.03571	0.96556
Moroccan dirham	8.15612	8.45869	8.42305	8.64874

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. Except in cases where the result of the period is a loss, 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.

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 result from new information obtained about facts and circumstances that existed at acquisition date and 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 amortizable amount of the concession intangible asset is amortized 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 Company; 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 estimated sale price for containers) over its estimated useful life, as follows:

Asset	*Useful life in years*
Buildings (depending on components)	15 to 40
Vessels	25
Dry-docks (component of vessels)	1 to 7
Second-hand container vessels 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 retains a substantial part of 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 its businesses.

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 21).

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.

- 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 mid-market 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 19. Movements on the hedging reserve are shown in other comprehensive income.

The Company classifies its derivative instruments in the following categories:

- *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.

- *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.

- *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.

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.

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. Actuarial gains and losses resulting from changes in actuarial assumptions or from experience adjustments are recognized as other items of comprehensive income, together with the return on assets excluding the interest 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.

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 21).

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 Main financial events and transactions

In 2013, the Company successfully completed the following key transactions:

- 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 100,000 thousand giving right to a 4% stake in CMA CGM upon conversion on a fully diluted basis. These bonds bear interest at 12% per annum payable in cash.
- On February 12, 2013, the Company's banks agreed a new debt restructuring program including modified covenants better adapted to the industry's volatility;
- On June 11, 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 cash consideration of EUR 400,000 thousand (USD 528,000 thousand)—See note 4;

- On June 28, 2013, the French Fonds Stratégique d'Investissement (FSI) subscribed to new bonds mandatorily redeemable in shares for an amount of USD 150,000 thousand giving right to a 6% stake in CMA CGM upon conversion on a fully diluted basis. These bonds bear interest at 12% per annum payable in cash;
- In October 2013, the Company finalized an additional securitization of receivables agreement with certain financial institutions for an amount of USD 200,000 thousand. This program does not qualify for the derecognition of the underlying receivables and financing; and
- On December 11, 2013, the Company issued a 5-year unsecured bond amounting to EUR 300,000 thousand, maturing in 2018 and bearing a 8.75% coupon (USD 405,150 thousand).

3.2 Vessels ordered

In 2009, the Company cancelled certain vessel orders and entered into discussions with some shipyards regarding other orders.

Since 2009, the Company has reached amicable agreements with all shipyards to renegotiate or postpone the deliveries of the vessels except for one shipyard, which cancelled the related orders. The prepayments made to this shipyard and related capitalized costs have been fully provided for and amount to USD 168,120 thousand as of December 31, 2013 (USD 168,120 thousand as of December 31, 2012).

As at the date of the approval of these annual consolidated financial statements, the Company has 6 vessels in its orderbook, corresponding to three 17,700 TEU container vessels (formerly 16,000 TEU container vessels which have been upgraded) and three 2,100 TEU vessels (see Note 31.1).

3.3 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 department and a bunkering department in accordance with 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 liquidity.

Market risk

- Bunker costs risk

The Company seeks to apply bunker surcharges (Bunker Adjustment Factor or BAF) in addition to freight rates to compensate for fluctuations in the price of fuel. The Group's risk management policy is also to hedge through fixed price forward contracts. 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:	**2013**	**2012**	**2011**	**2013**	**2012**	**2011**
Nymex WTI (1st nearby, in $ per barrel) *	98.42	91.82	98.83	98.05	94.15	95.11
Brent (1st nearby, in $ per barrel) *	110.80	111.11	107.38	108.68	111.63	110.85

* *Based on the future contract maturing at the closest maturity on each considered date*

As at December 31, 2013, the Company hedged approximately 6.25% of expected purchase of bunkers for the next year through a forward fixed price with delivery (3% of expected purchase of bunkers for the next year covered as at December 31, 2012).

As at December 31, 2013, the Group has no outstanding derivative financial instruments relating to bunker cost hedging.

- 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.

in USD thousand

As at December 31, 2013	Carrying amount	USD	EUR	CNY	GBP	Others
Trade receivables and prepaid expenses	**2,489,700**	1,148,066	715,884	122,066	105,922	397,761
Cash and cash equivalents and financial assets at fair value through profit and loss	**1,632,274**	623,911	571,690	39,102	12,390	385,181
Trade payables and current deferred income	**3,433,973**	1,845,291	647,935	300,047	140,851	499,850
Financial Debt	**5,755,552**	3,669,143	1,951,991	57	35,383	98,977*
					YEN	13,094*

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 299 thousand in the fair value of derivatives and USD 139 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 1,716 thousand in the fair value of derivatives and USD 117 thousand in the interest expense.

- 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, 2013 would have a positive impact on the income statement of USD 125 thousand for financial assets at fair value through profit and loss (positive impact of USD 116 thousand as at December 31, 2012).

- Cash Flow Interest rate risk

The year 2013, as with previous years, has been affected by the global economic low growth and historic low levels of market interest rates.

	Closing rate as at December 31,			Annual average rate		
Market data:	2013	2012	2011	2013	2012	2011
LIBOR USD 3 M	0.25%	0.31%	0.58%	0.27%	0.43%	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, 2013, taking into account the interest rate hedges, the financial debts bearing interest at variable rates represent 38% of total debts against 62% at fixed rates.

The table below presents 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, 2013	Nominal amount	Less than 5 years	More than 5 years	Fair value of derivatives
Interest swaps—cash flow hedge	**732,251**	357,347	374,904	(102,762)
Interest swaps—not qualifying for cash flow hedge	**345,576**	328,116	17,460	(5,396)
Total	**1,077,827**	**685,463**	**392,364**	**(108,158)**

The following table presents the sensitivity of the Group's profit before tax and of the Cash Flow reserve as at December 31, 2013 to a possible change in interest rates, assuming no change in other parameters.

		Income Statement impact		Balance Sheet impact
		Change in fair value of derivatives	Interest expenses *	Cash Flow Reserve
U.S Dollar	+100 bps	1,773	9,176	29,224
Euro	+100 bps	(1,052)	8	—
Japanese Yen	+100 bps	(1,229)	(715)	—

* *excluding the impact 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 2013 as in 2012). 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 as at December 31, 2013 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, 2013 (for translation to U.S. Dollars thousand) and on the interest rate curve as at December 31, 2013:

	2014	2015	2016	2017	2018	Onwards
Interest swaps—Assets *	4,592	2,804	732	487	303	312
Interest swaps—Liabilities **	(42,155)	(35,241)	(25,375)	(15,473)	(9,762)	(9,323)
Total	**(37,563)**	**(32,437)**	**(24,643)**	**(14,986)**	**(9,459)**	**(9,011)**

* *"Interest swaps—Assets" relates to those derivatives which had a positive fair value as of December 31, 2013.*
** *"Interest swaps—Liabilities" relates to those derivatives which had a negative fair value as of December 31, 2013.*

Pursuant to the agreement with the Companys banks disclosed in Note 3.1, the Company's financing arrangements are subject to compliance with the main following covenants:

- Maximum gearing ratio (Adjusted net debt / Adjusted equity);
- Loan-to-value ratio (financing / market value of related asset);
- Minimum cash balance;
- Maximum long-term chartering commitments;
- Maximum capital expenditures.

For the purpose of our covenant calculations, the whole principal amount of bonds redeemable in shares is considered as equity. Net debt basically includes financial debt less cash and cash equivalents, marketable securities and loan-to-value deposits, and is adjusted to exclude bonds redeemable in shares.

As at December 31, 2013, the Company fully complied with these covenants.

Regarding the liquidity risk linked to vessel financing, please refer to the financial commitments presented in Note 31.

Capital risk management

The Group monitors capital on the basis of the ratios described above.

Fair value hierarchy

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2013:

As at December 31, 2013	Level 1	Level 2	Level 3	Total Balance
Assets				
Securities	221,827	—	—	221,827
Derivatives not qualified to hedge accounting	—	8,659		8,659
Derivatives used for hedging	—	—	—	—
Available-for-sale financial assets	—	—	79,488	79,488
Total Assets	**221,827**	**8,659**	**79,488**	**309,975**
Liabilities				
Derivatives not qualified to hedge accounting	—	14,014		14,014
Derivatives used for hedging	—	102,762	—	102,762
Provision—Estimated fair value of guarantees granted to CMHI	—	—	111,577	111,577
Total Liabilities	**—**	**116,776**	**111,577**	**228,353**

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				
Securities	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 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.

The variations of assets and liabilities included in level 3 are as follows:

	ASSETS		LIABILITIES
	Available for sale financial assets	Derivatives not qualifying to hedge accounting	Provision—Estimated fair value of guarantees granted to CMHI
Opening balance	**74,974**	**5,301**	**—**
Transfers into Level 3	—	—	—
Transfers out of Level 3	—	—	—
Total gains or losses for the period			
Included in profit or loss	—	702	—
Included in other comprehensive income	—	—	—
Foreign Currency impact	185	—	—
Purchases, issues, sales and settlements			
Purchases	5,524	—	—
Issues	—	—	89,101
Additions	—	—	22,476

	ASSETS		LIABILITIES
	Available for sale financial assets	Derivatives not qualifying to hedge accounting	Provision— Estimated fair value of guarantees granted to CMHI
Sales	(1,248)	—	—
Settlements	—	(6,003)	—
Other	54	—	—
Closing balance	**79,488**	**—**	**111,577**
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	—	—	—

The available for sale financial assets mainly consist of non consolidated investments in various companies. These shareholdings are valued at historical cost based on the fact that it approximates the fair value of such assets.

The derivatives not qualifying to hedge accounting were entirely settled in 2013 (See Note 19). These derivatives were valuated through an internal calculation based on Black & Scholes model of valuation.

The estimated fair value of guarantees granted to CMHI is accounted in provisions (see Note 30). The fair value of such liability has been based on the present value of expected future cash flows. A reasonable possible change in the discount rate used would not affect the Company's profit or equity significantly.

4. Significant events occurred during 2013 and 2012

Significant events in 2013

Investment of Yildirim and FSI and finalization of the debt restructuring early 2013

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 100,000 thousand giving right to a 4% stake in CMA CGM upon conversion on a fully diluted basis. These bonds bear interest at 12% per annum payable in cash until their maturity on December 31, 2017. Due to these characteristics, the transaction resulted in an increase in the Company's reserves of USD 56,482 thousand and an increase of the financial debt amounting to USD 43,518 thousand corresponding to the net present value of interest payable during the 5-year period (see Note 32).

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 of covenants was identified as at December 31, 2012, amounting to USD 2,124,000 thousand, 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 being now Banque Publique d'Investissement (Bpifrance)) subscribed to bonds mandatorily redeemable in shares for an amount of USD 150,000 thousand giving right to a 6% stake in CMA CGM upon conversion on a fully diluted basis. These bonds bear interest at 12% per annum payable in cash. The transaction resulted in an increase in the Company's reserves of USD 56,457 thousand and an increase of the financial debt amounting to USD 93,543 thousand corresponding to the net present value of interest payable during the 8-year period (see Note 32).

Disposal and reorganization of 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 528,000 thousand. 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 up until 2019 a certain level of dividends payable to CMHI regardless of the capacity of Terminal Link to distribute such dividends. At transaction date June 11, 2013, the estimated fair value of this guarantee was USD 89,101 thousand (see Note 30).*

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

Relocation of the operational and administrative functions of the brand Delmas

On June 19, 2013, the Group announced its 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.

Upgrade 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 international rating agency Moody's revised the Group's corporate credit rating upwards from B3 to B2 with a "stable outlook".

P3 network

On June 18, 2013, Maersk Line, Mediterranean Shipping Co. and CMA CGM 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 2,600 thousand 20-foot-equivalent units on 29 service loops on Asia-Europe, trans-Pacific and trans-Atlantic routes. This network is expected to begin operations mid 2014, subject to regulatory approvals.

Issuance of a new unsecured bond

On December 11, 2013, the Company issued a 5-year unsecured bond amounting to EUR 300,000 thousand, maturing in 2018 and bearing a 8.75% coupon (USD 405,150 thousand).

Significant events in 2012

Disposal of Compagnie du Ponant

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. At that time, the Company provided a vendor loan amounting to EUR 65 million which was repayable in full on August 6, 2016 and bears annual interest at 5% (see Note 20 for updated information). The payment of a dividend by Compagnie du Ponant is subordinated to the repayment of this loan.

5. Operating segments

For management purposes, the Group reports two operating segments: container shipping activity, which represented approximately 92.8% of revenue during 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, logistics, and transport by rail, road and river.

Segment performance is evaluated by management based on the following measures:

- Revenue
- EBIT
- Profit / (Loss) for the year

EBIT corresponds to the line item "Operating profit" presented in the consolidated income statement. EBIT is a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to drive its operating performance. The Company believes that the presentation of EBIT is a relevant aggregate to management for decision making purposes. EBIT is not defined in IFRS and should not be considered as an alternative to Profit / (Loss) for the year or any other financial metric required by such accounting principles.

The segment information for the reportable segments for the year 2013 is as follows:

Operational segments in USD thousand	Revenue	EBIT	Profit / (Loss) for the year
Total container shipping segment	14,751,872	582,176	136,007
Other activities	1,149,676	173,199	107,939
Unallocated items	—	221,300	186,516
Total consolidated measures	**15,901,548**	**976,675**	**430,463**

The segment information for the reportable segments for the year 2012 is as follows:

Operational segments in USD thousand	Revenue	EBIT	Profit / (Loss) for the year
Total container shipping segment	14,748,083	868,200	330,116
Other activities	1,175,146	174,364	205,255
Unallocated items	—	(34,709)	(174,758)
Total consolidated measures	**15,923,229**	**1,007,854**	**360,613**

Certain items are unallocated as management considers that they do not affect the ongoing operating performance of the Group.

Unallocated items impacting EBIT include (i) the impact of the disposal of property and equipment and subsidiaries (see Note 8) and (ii) other income and expenses (see Note 9).

Unallocated items impacting the Profit / (Loss) for the year mainly include (i) certain waiver fees and restructuring fees that could not be amortized using the effective interest method (see Note 11), (ii) interest expenses on late payments for vessels under construction (see Note 12) and (iii) profit for the year from discontinued operations.

6. Operating expenses

Operating expenses are analyzed as follows:

	For the twelve month period ended December 31,	
	2013	2012
Bunkers and consumables	(3,537,880)	(3,845,087)
Chartering and slots purchases	(1,781,131)	(1,747,765)
Handling and stevedoring	(3,588,206)	(3,401,950)
Transportation	(1,681,738)	(1,533,796)
Port and canal	(1,101,973)	(1,028,443)
Logistic	(1,229,217)	(1,138,961)
Employee benefits	(1,143,788)	(1,088,790)
General and administrative other than employee benefits	(604,393)	(619,282)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(27,755)	(50,828)
Operating exchange gains / (losses), net	17,388	127

	For the twelve month period ended December 31,	
	2013	2012
Other operating expenses	(199,217)	(162,991)
Operating expenses	**(14,877,909)**	**(14,617,766)**

7. Employee benefits

Employee benefit expenses are analyzed as follows:

	For the twelve month period ended December 31,	
	2013	2012
Wages and salaries	(895,618)	(865,177)
Social security costs	(197,034)	(182,458)
Pension costs	(15,346)	(12,015)
Other expenses	(35,790)	(29,140)
Employee benefits	**(1,143,788)**	**(1,088,790)**

The number of employees of the Company is 16,842 as at December 31, 2013 (16,239 as at December 31, 2012).

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 twelve month period ended December 31,	
	2013	2012
Disposal of vessels	(3,158)	(2,109)
Disposal of containers	35,651	21,357
Other fixed assets disposal	976	(376)
Disposal of subsidiaries	310,377	—
Gains on disposal of property and equipment and subsidiaries	**343,846**	**18,873**

In 2013, the Company sold certain containers through sale and operating lease back contracts resulting in:

- an increase in cash and cash equivalents amounting to USD 151,530 thousand (USD 58,046 thousand as at December 31, 2012); and
- a gain on disposal amounting to USD 35,651 thousand (USD 21,357 thousand as at December 31, 2012).

As disclosed in Note 4, the disposal in June 2013 of the 49% stake in Terminal Link resulted in an accounting gain amounting to USD 301,138 thousand.

9. Other income and expenses

Other income and expenses can be analyzed as follows:

	For the twelve month period ended December 31,	
	2013	2012
(Allowance) / Reversal on shipyards prepayments or provisions	(31,850)	(13,859)
Impairment of assets (see Note 4)	(59,138)	(28,884)
Other	(32,042)	(2,616)
Other income and expense	**(123,030)**	**(45,359)**

Other income and expenses related to shipyards mainly include (i) the reversal of an unused provision related to a litigation with a ship-owner over an order of three vessels for USD 11,951 thousand (see Note 30), (ii) an impairment amounting to USD (43,822) thousand related to the unrecoverable portion of certain prepayments for vessels under construction (see Note 31).

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 (59,138) thousand was recorded, of which USD (25,929) thousand related to associates and joint ventures.

The line item “Other” mainly corresponds to the remeasurement of the estimated fair value of the dividend guarantee payable to CMHI (see Note 4). Due to circumstantial limitations to pay dividends in certain terminals and the delay in the ramp-up of others, the Company considered it appropriate to increase the liability for an amount of USD 30,603 thousand at year-end.

In 2012, the Company recorded an allowance of USD 13,859 thousand against certain prepayments and other contractual obligations and an impairment of vessels of USD 21,700 thousand classified as held-for-sale.

10. NPV benefits related to assets financed by tax leases

As disclosed in Note 2 of these 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. The increase in the NPV benefits is linked to the increased number of vessels financed under this arrangement and certain anticipated purchase options.

11. Cost of net debt

Cost of net debt is analyzed as follows:

	For the twelve month period ended December 31,	
	2013	2012
Interest income on cash and cash equivalents	15,835	10,331
Interest expense on financial debt	(343,278)	(354,230)
Financial cost related to debt restructuring	(30,401)	(5,316)
Interest rate and foreign currency financial derivatives	(35,848)	(48,285)
Foreign currency exchange gains on financial debt	(38,506)	(12,411)
Cost of net debt	**(432,198)**	**(409,911)**

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.

Foreign currency exchange gain on financial operations for the year ended December 31, 2013 is mainly due to the translation of financial debts denominated in euros.

12. Other financial items

Other financial items consist of the following:

	For the twelve month period ended December 31,	
	2013	2012
Interests for deferred payments to shipyards	(4,382)	(17,737)
Change in fair value and settlement of derivative instruments that do not qualify for hedge accounting	(6,202)	(8,601)
Change in fair value of securities	304	3,763
Gain / (Losses) from disposal of securities	914	(1,970)
Foreign currency exchange gains / (losses) on financial operations	950	(23,141)
Other financial income and expense, net	(4,702)	(16,208)
Other financial items	**(13,118)**	**(63,893)**

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 for the year ended December 31, 2013 is mainly due to the year-end revaluation of the financial debt held in euros.

13. Income taxes

Income taxes consist of the following:

	For the twelve month period ended December 31,	
	2013	2012
Current tax	(67,000)	(57,451)
Deferred tax	(33,896)	(7,203)
Income Taxes	**(100,896)**	**(64,655)**

A provision for tax risk in certain of the Company's subsidiaries amounting to USD 5,000 thousand is included in the current income tax expense of the year ended December 31, 2013 (nil in 2012).

As at December 31, 2013, the Company reduced the level of the deferred tax assets for an amount of USD 19,527 thousand as a consequence of the reassessment of the foreseeable non-tonnage tax eligible activities (see Note 17).

The reconciliation of the income tax expense is presented below:

	For the twelve month period ended December 31,	
	2013	2012
Profit / (Loss) before tax and share of profit (or loss) of the associates and joint ventures	512,590	494,944
Profit / (loss) for the year from discontinued operations	—	(108,783)
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	**512,590**	**386,161**
Theoritical income tax (tax rate of 38%)	(194,784)	(139,404)
Income tax expense	(100,896)	(64,655)
Difference between theoritical and effective income tax	**93,888**	**74,749**
Impact of the tonnage tax regime	(51,730)	72,100
Use or recognition of deferred tax assets previously	2,774	1,540
Effect of different tax rates in foreign tax jurisdictions	33,955	25,943
Unrecognized tax losses generated by certain entities not liable to tonnage tax	(46,390)	(78,096)
Terminal activities reorganization (fair value adjustment and gain on disposal)	125,848	—
Other permanent differences including effect of exchange	29,431	53,262
Difference	**93,888**	**74,749**

The variation in the tonnage tax regime reconciling item results from the decrease of the tax result liable to tonnage tax in France between 2012 and 2013.

The disposal of 49% of Terminal Link did not generate an income tax expense for the Company as the taxable part of the gain on this disposal has been compensated by tax losses not previously recognized.

14. Goodwill

Goodwill is analyzed as follows:

	2013	2012
As at January, 1	**298,052**	**393,098**
Reclassification to assets held-for-sale (see note 27)	—	(101,573)
Impairment	—	(343)
Foreign currency translation adjustment	1,699	6,869
As at December 31,	**299,751**	**298,052**
of which:		
Allocated to container shipping segment	*280,746*	*279,716*
Allocated to other activities	*19,005*	*18,336*

The assumptions used for the purposes of impairment tests are detailed in Note 2.3.

There was no occurrence of any indication of impairment for the year ended December 31, 2013 nor the year ended December 31, 2012.

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, 2012	**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)
Reclassification of assets held-for-sale	(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**
Acquisitions	3,768	66,957	167	70,891
Disposals	(1,241)	—	(194)	(1,434)
Reclassification	68,196	(68,181)	(218)	(203)
Foreign currency translation adjustment	(304)	37	(1,366)	(1,633)
As at December 31, 2013	**376,511**	**61,452**	**31,557**	**469,521**

	Software			
	In use	In-progress	Others	Total
Amortization of Other intangible assets				
As at January 1, 2012	**(166,368)**	**—**	**(17,678)**	**(184,046)**
Amortization	(38,983)	—	(4,376)	(43,359)
Disposals	3,272	—	11	3,283
Reclassification of assets held-for-sale	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)**
Amortization	(52,405)	—	(2,470)	(54,874)
Disposals	703	—	196	899
Reclassification	(3)	—	178	175
Foreign currency translation adjustment	(26)	—	317	291
As at December 31, 2013	**(253,691)**	**—**	**(11,790)**	**(265,481)**

	Software			
	In use	In-progress	Others	Total
Net book value of Other intangible assets				
As at December 31, 2013	**122,821**	**61,452**	**19,767**	**204,040**
As at December 31, 2012	**104,135**	**62,640**	**23,157**	**189,932**
As at January 1, 2012	**124,244**	**54,184**	**87,138**	**265,567**

High-performance information systems are essential within the industry, which requires significant internal and external software development. Software capitalized costs 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 systems implemented within all Group shipping entities.

Through a strategic partnership with SAP, the Company decided in 2013 to invest in a new innovative information system. It will enable the Group to develop an information system specifically designed to container shipping, it aims to enhance efficiency and flexibility in an industry that is constantly evolving. The amount of software in progress as at December 31, 2013 is mainly related to this project.

The amortization of the preceding ERP still operated by the Company has been accelerated to adjust to its reassessed useful life.

16. Property and equipment

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 carrying up to 16,000 TEUs. The final installments have been mainly financed by debt.

Ordering of vessels

As disclosed in Note 31, the Company:

- ordered three 17,700 TEU container vessels to be delivered in 2015, for which financing has been obtained;
- reached an amicable agreement with a shipyard to take delivery of three 2,100 TEU vessels which were under negotiations.

Property and equipment are analyzed as follows:

	As at December 31, 2013	As at December 31, 2012
Vessels		
Cost	7,397,903	7,128,646
Cumulated depreciation	(1,277,360)	(1,087,357)
	6,120,542	**6,041,289**
Containers		
Cost	998,267	1,145,191
Cumulated depreciation	(393,196)	(406,749)
	605,070	**738,442**
Land and buildings		
Cost	739,522	718,307
Cumulated depreciation	(119,087)	(90,833)
	620,434	**627,474**
Other property and equipment		
Cost	295,296	275,393
Cumulated depreciation	(175,876)	(151,861)
	119,420	**123,532**
Total		
Cost	**9,430,988**	**9,267,537**
Cumulated depreciation	**(1,965,520)**	**(1,736,800)**
Property and equipment	**7,465,467**	**7,530,737**

As at December 31, 2013, assets held under capital leases, tax lease agreements and other similar arrangements included in the above table represented a cost of USD 2,908,652 thousand (USD 3,229,464 thousand as at December 31, 2012) and an accumulated depreciation of USD 443,168 thousand (USD 502,444 thousand as at December 31, 2012).

Prepayments made to shipyards relating to vessels under construction are presented within “Vessels” and amount to USD 181,033 thousand as at December 31, 2013 (USD 196,835 thousand as at December 31, 2012).

As at December 31, 2013, the carrying amount of property and equipment held as collateral of financial debts amounts to USD 6,882 million (USD 6,703 million as at December 31, 2012).

Variations in the cost of property and equipment for the year ended December 31, 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	—	—	(45,909)	—	—	—	(45,909)
Reclassification to	(29,446)	—	—	—	13,475	(84,453)	(100,424)

Cost of Property and equipment	Vessels			Containers	Land and buildings	Other property and equipment	Total
	Owned	Leased	In-progress				
assets held-for-sale							
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	37,953	1,088	420,829	37,791	3,491	27,268	528,419
Acquisitions of subsidiaries	(0)	0	—	—	—	969	968
Disposals	(78,490)	—	—	(183,730)	(1,641)	(10,112)	(273,973)
Disposals of subsidiaries	—	—	—	—	(4,174)	(19)	(4,193)
Adjustment linked to an agreement with shipyard (see Note 31)	—	—	(43,822)	—	—	—	(43,822)
Reclassification to assets held-for-sale	(69,404)	—	—	—			(69,404)
Vessels put into service and exercise of purchase option	499,353	(106,744)	(392,609)	—	—	—	—
Other reclassification	—	(1)	0	(28)	(1,051)	1,153	73
Foreign currency translation adjustment	458	650	—	(958)	24,590	644	25,385
As at December 31, 2013	**4,632,039**	**2,584,831**	**181,033**	**998,267**	**739,522**	**295,296**	**9,430,989**

As disclosed in Note 9 and Note 31, USD 43,822 thousand of prepayments made and other capitalized costs made in relation to 2,100 TEU vessel orders have been written off, impacting the line item “Other income and expenses”.

As at December 31, 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 31 (2 vessels under construction as at December 31, 2012).

Purchases of property and equipment amounted to USD 528,419 thousand in 2013 (USD 259,900 thousand in 2012), of which USD 279,940 thousand were financed under capital leases or similar arrangements (USD 208,000 thousand as at December 31, 2012).

Borrowing costs capitalized in 2013 amounted to USD 1,885 thousand (nil in 2012).

Variations in the accumulated depreciation for year ended December 31, 2013 and the year ended December 31, 2012 are analyzed as follows:

Depreciation of Property and equipment	Vessels			Containers	Land and buildings	Other property and	Total
	Owned	Leased	In-progress				
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

Depreciation of Property and equipment	Vessels			Containers	Land and buildings	Other property and	Total
	Owned	Leased	In-progress				
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	(175,475)	(92,144)	—	(54,401)	(26,547)	(31,501)	(380,068)
Disposals	56,689	—	—	67,851	697	8,585	133,822
Disposals of subsidiaries	—	—	—	—	512	14	527
Reclassification to assets held-for-sale	21,931		—	—			21,931
Exercise of purchase option and other reclassification	(80,285)	80,289	—	28	185	(299)	(82)
Foreign currency translation adjustment	(67)	(941)	—	74	(3,101)	(810)	(4,848)
As at December 31, 2013	**(953,703)**	**(323,658)**	**—**	**(393,196)**	**(119,087)**	**(175,876)**	**(1,965,518)**

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, 2013	3,678,337	2,261,173	181,033	605,070	620,434	119,420	**7,465,471**
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 December 31, 2013 includes USD 165,033 thousand related to containers under finance leases (USD 305,653 thousand as at December 31, 2012).

17. Deferred taxes

Deferred taxes components are as follows:

Deferred tax assets	As at December 31, 2013	As at December 31, 2012
Investment tax credit	121	10
Tax losses carried forward	22,835	43,063
Retirement benefit obligations	12,160	13,179
Other temporary differences	5,664	6,851
Total deferred tax assets	**40,780**	**63,103**

Deferred tax liabilities	As at December 31, 2013	As at December 31, 2012
Revaluation and depreciation of property and equipment	18,341	22,494
Undistributed profits from subsidiaries	29,536	15,825
Other temporary differences	3,529	1,279
Total deferred tax liabilities	**51,406**	**39,598**

Tax losses carried forward mainly relate to losses generated by the activities liable to corporate income tax in France. These tax losses are recognized only to the extent of the level of the corresponding deferred tax liability and the foreseeable taxable profit generated by these activities. As at December 31, 2013, the reassessment of the profitability of the activities liable to corporate income tax in France led the Company to reduce the deferred tax assets recognized by an amount of USD 19,527 thousand.

Unused tax losses whose recovery within a reasonable timeframe is considered less than likely are not recognized in the balance sheet and represented 848,952 USD thousand as at December 31, 2013 (USD 769,173 thousand in 2012). The corresponding unrecognized deferred tax asset amounts to USD 292,294 thousand in 2013 (USD 277,672 thousand in 2012). The unused tax losses can be carried forward indefinitely.

The level of withholding taxes related to undistributed profits from subsidiaries went up by USD 14,008 thousand.

Amounts of taxes recognized directly within other comprehensive income are as follows:

	As at December 31,					
	2013			2012		
	Before-tax amount	Tax	Net-of-tax amount	Before-tax amount	Tax	Net-of-tax amount
Profit for the year	**531,359**	**(100,896)**	**430,463**	**425,267**	**(64,655)**	**360,613**
Other comprehensive income						
Cash flow hedges	(14,551)	—	**(14,551)**	(11,660)	—	**(11,660)**
Gains on property revaluation	(0)	(0)	**(0)**	—	0	**0**
Actuarial gains (losses) on defined benefit pension plans	3,710	(784)	**2,926**	(8,653)	(1,275)	**(9,928)**
Share of other comprehensive income of associates	834	—	**834**	(973)	—	**(973)**
Exchange differences on translating foreign operations	21,031	—	**21,031**	26,734	—	**26,734**
Other comprehensive income for the year, net of tax	**11,024**	**(784)**	**10,239**	**5,449**	**(1,275)**	**4,174**
Total comprehensive income for the year	**542,383**	**(101,680)**	**440,702**	**430,716**	**(65,929)**	**364,787**

18. Investments in associates and joint ventures

Investments in associates and joint ventures are presented as follows:

	2013	2012
As at January, 1	**474,369**	**624,900**
Revaluation of retained investment at fair value	269,297	836
Disposal	(2,123)	9,771
Share of (loss) / profit	18,769	39,106
Impairment	(25,929)	—
Dividends received	(17,771)	(7,260)
Other comprehensive income	1,572	(973)
Reclassification to assets held-for-sale (see Note 27)	0	(199,526)
Other reclassification	—	(742)
Foreign currency translation adjustment	4,484	8,256
As at December 31,	**722,668**	**474,369**

The remeasurement at fair value of the remaining 51% investment in Terminal Link resulted in an increase amounting to USD 252,192 thousand over the historical carrying value of USD 204,621 thousand (see Note 4). The investment in associates and joint ventures at transaction date was USD 456,813 thousand.

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, the "Impairment" line item is related to certain terminals accounted for under the equity method in Egypt and Vietnam, in which the Company owns respective stakes of 20% and 25% (see Note 9).

Global Ship Lease

Global Ship Lease owns and charters out 17 vessels under long-term charters, all chartered to CMA CGM. Two of the vessels have a remaining charter duration of less than 1 year and the Company notified its intention to return these vessels at the end of the charter. Fifteen remaining vessles are time chartered for remaining terms ranging from 3 to 12 years. As at December 31, 2013, the undiscounted time charter payable to Global Ship Lease corresponding to the 17 vessels represents an amount of USD 878,393 thousand. The carrying amount of the investment in associates which corresponds to the Company's shares in the net assets of Global Ship Lease of 44.45% is USD 198,723 thousand. Global Ship Lease is listed on the New York Stock Exchange and the shares owned by the Company had a market capitalization of USD 146,720 thousand as at December 31, 2013. 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, 2013 the summarized financial statements of associates and joint ventures are as follows:

	Terminal Link entities	Other terminal entities	GLOBAL SHIP LEASE INC	Other Entities	Total as at December 31, 2013	Total as at December 31, 2012
% of shareholding as of December 31, 2013	n.a.	n.a.	44.7%	n.a.		
Non-current assets	689,616	183,547	819,859	35,588	**1,728,611**	**2,855,879**
Current assets	78,109	72,903	38,388	117,863	**307,263**	**518,157**
Total Assets	**767,726**	**256,450**	**858,247**	**153,451**	**2,035,874**	**3,374,037**
Equity	536,928	157,606	399,466	62,322	**1,156,322**	**1,926,433**
Non-current liabilities	166,692	55,896	389,600	738	**612,926**	**1,023,917**
Current liabilities	64,106	42,948	69,181	90,391	**266,626**	**423,688**
Total Liabilities	**767,726**	**256,450**	**858,247**	**153,451**	**2,035,874**	**3,374,037**
Revenue	**118,331**	**317,292**	**143,212**	**192,324**	**771,160**	**869,681**
Profit for the year	**624**	**47,281**	**32,518**	**22,440**	**102,863**	**72,174**

The data presented above is based on a 100% shareholding for each entity. The data for Terminal Link is based on the proforma combined financial statements approved by the management of Terminal Link.

19. Derivative financial instruments

Derivative financial instruments are analyzed as follows:

	As at December 31, 2013		As at December 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Interest swaps—cash flow hedge	—	102,762	—	116,484
Interest swaps—not qualifying to hedge accounting	8,618	14,014	7,884	16,970
Bunker hedge—not qualifying to hedge accounting	—	—	8,467	—
Currency forward contracts	41	—	111	—
Total derivative financial instruments	**8,659**	**116,776**	**16,462**	**133,454**
of which non-current portion (greater than 1 year)	*3,762*	*76,737*	*4,217*	*79,642*
of which current portion (less than 1 year)	*4,897*	*40,038*	*12,245*	*53,812*

As at December 31, 2013, the Company has no outstanding hedging instruments relating to bunkers.

20. 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)

Other financial assets gross	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
Reclassification to assets held-for-sale	(27,812)	(201)	(8,164)	(71,591)	(4,454)	(112,222)
Prepayments related to vessels under construction	—	—	—	—	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	5,989	24,015	44,479	13,088	103,405	190,975
Acquisitions of subsidiaries	(1)	(1)	281	—	—	279
Disposals	(313)	(110,469)	(98,908)	(1,304)	(2,320)	(213,313)
Disposals of subsidiaries	(160)	0	0	(0)	(0)	(161)
Reclassification to / from other assets	(806)	12,858	(5,080)	—	(1,932)	5,041
Foreign currency translation adjustment	235	6,293	3,755	834	7,498	18,615
As at December 31, 2013	**85,664**	**194,363**	**384,560**	**16,132**	**439,068**	**1,119,787**

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	(491)	(25,664)	—	—	—	(26,156)
Reversals during the period	112	3	—	—	—	114
Reclassification to / from other assets	—	(9,042)	—	—	(23)	(9,065)
Foreign currency translation adjustment	(49)	(756)	—	—	(1)	(805)
As at December 31, 2013	**(6,176)**	**(53,053)**	**—**	**—**	**(168,643)**	**(227,872)**

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, 2013	79,488	141,309	384,560	16,132	270,426	891,915
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

Investments in non consolidated companies

This line item consists of shares in Rotterdam World Gateway BV for USD 47,089 thousand in which the Company has a 10% shareholding as well other entities individually not significant.

Loans

Included in "Loans" are:

- a 5% interest bearing vendor loan granted in 2012 to Compagnie du Ponant as part of the sale of this company, amounting to USD 55,164 thousand as at December 31, 2013 (USD 85,761 thousand as at December 31, 2012). This loan was partially early repaid in 2013 to the Company for an amount of USD

32,340 thousand, in exchange for which the Company extended by one year the maturity of the remaining loan to August 2017;

- loans granted to associates and joint ventures, including (i) a loan advance to Terminal Link covering the next dividend payable to CMHI amounting to USD 19,307 thousand (see Note 4), and (ii) a loan to a joint venture amounting to USD 24,266 thousand as at December 31, 2013 on which an impairment charge has been accounted for in 2013 for an amount of USD 22,629 thousand (see Note 9).

Certain loans amounting to USD 76,064 thousand, 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 2013, following the new debt restructuring program.

Deposits

Included in "Deposits" are mainly:

- USD 152,345 thousand as at December 31, 2013 (USD 200,480 thousand as at December 31, 2012) of cash deposited in escrow accounts in relation to certain loan-to-value provisions in financing agreements; and
- USD 116,661 thousand as at December 31, 2013 (USD 138,084 thousand as at December 31, 2012) of cash deposits which do not qualify as cash and cash equivalents.

Change in deposits is presented within "Variation in other long-term investments" in the consolidated cash flow statement.

Other financial assets

"Other financial assets" include:

- USD 44,976 thousand as at December 31, 2013 (USD 44,976 thousand as at December 31, 2012) related to redeemable preferred shares of Global Ship Lease, Inc., which are mandatorily redeemable in twelve quarterly installments commencing August 31, 2016;
- USD 203,481 thousand as at December 31, 2013 (USD 107,665 thousand as at December 31, 2012) of financial tax benefit to be received at the end of the lease term; and
- USD 168,120 thousand as at December 31, 2013 (USD 168,120 thousand as at December 31, 2012) of prepayments made and other capitalized costs related to vessel orders cancelled. As at December 31, 2013 the full amount of such prepayments is impaired (same as at December 31, 2012).

21. 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, 2013 and December 31, 2012:

Assets	As at December 31, 2013	Loans and receivables	Available for sale	Financial assets & liabilities at fair value through profit and loss	Derivative instruments
Derivative financial instruments—non current portion-	**3,762**	—	—	—	3,762
Other financial assets	**891,915**	812,427	79,488	—	—
Trade and other receivables	**2,305,246**	2,305,246	—	—	—
Derivative financial instruments—current portion-	**4,897**	—	—	—	4,897
Securities	**221,827**	—	—	221,827	—
Cash and cash equivalent	**1,410,447**	1,410,447	—	—	—
Total financial instruments—Assets	**4,838,095**	**4,528,120**	**79,488**	**221,827**	**8,659**

Liabilities	As at December 31, 2013	Financial debt at amortized cost	Derivative instruments
Financial debt—non-current portion-	**4,823,242**	4,823,242	—
Derivative financial instruments—non-current portion-	**76,737**	—	76,737
Financial debt—current portion-	**932,310**	932,310	—
Derivative financial instruments—current portion-	**40,038**	—	40,038
Trade and other payables	**2,833,369**	2,833,369	—

Liabilities	As at December 31, 2013	Financial debt at amortized cost	Derivative instruments
Total financial instruments—Liabilities	**8,705,696**	**8,588,921**	**116,775**

Assets	As at December 31, 2012	Loans and receivables	Available for sale	Financial assets & liabilities at fair value through profit	Derivative instruments
Derivative financial instruments—non current	**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	**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**

22. Inventories

Inventories are detailed below:

	As at December 31, 2013	As at December 31, 2012
Bunkers	436,332	444,878
Lube oil	16,950	21,406
On land	19,065	16,822
On board	2,178	3,337
Provision for obsolescence	(839)	(1,921)
Inventories	**473,686**	**484,521**

23. Trade and other receivables and payables

Trade and other receivables are analyzed as follows:

	As at December 31, 2013	As at December 31, 2012
Trade receivables	1,850,533	1,785,712
Less impairment of trade receivables	(78,783)	(84,872)
Trade receivables net	**1,771,750**	**1,700,840**
Prepayments	56,993	63,611
Other receivables net, including taxes	367,132	349,040
Employee, social and tax receivables	109,370	117,036
Trade and other receivables	**2,305,246**	**2,230,527**

Movements in the impairment of trade receivables are as follows:

	2013	2012
As at January, 1	**(84,872)**	**(62,266)**
Addition to impairment of receivables	(13,362)	(51,057)
Reversal of impairment of receivables	19,353	29,220
Foreign currency translation adjustment	99	(769)
As at December 31,	**(78,783)**	**(84,872)**

Trade and other payables are analyzed as follows:

	As at December 31, 2013	As at December 31, 2012
Trade payables	1,179,362	1,049,826
Accruals for port call expenses, transportation costs, handling services and other payables	1,454,116	1,526,192
Employee, social and tax payables	199,891	198,860
Trade and other payables	**2,833,369**	**2,774,878**

Other payables include an amount payable in euros of USD 58,823 thousand owed to Merit Corporation, a related party (USD 55,573 thousand 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.

Trade receivables and payables mature as follows (in thousand USD):

	As at December 31, 2013	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	**2,305,246**	1,697,564	338,303	88,158	38,671	25,076	117,475
Trade and other payables	**2,833,371**	2,268,414	210,621	81,982	78,531	38,497	155,326

24. Securities

Securities include the following:

	As at December 31, 2013	As at December 31, 2012
Equity stocks	2,943	2,835
Monetary securities	218,849	9,119
Other	34	51
Securities	**221,827**	**12,005**
Securities reported in assets held for sale due to the reorganization of the terminal activities	**—**	**4,696**

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, 2013	As at December 31, 2012
Cash on hand	570,573	339,317
Cash equivalents	839,874	261,992
Cash on hand and cash equivalents	**1,410,447**	**601,309**
Bank overdrafts	(80,926)	(45,308)
Net cash and cash equivalents	**1,329,521**	**556,000**
Cash reported in assets held-for-sale	**—**	**26,435**
Net cash and cash equivalents as per cash flow	**1,329,521**	**582,435**

Included in “Cash equivalents” are margin calls related to the Company’s derivative financial instruments amounting to USD 17,801 thousand as at December 31, 2013 (USD 37,740 thousand 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 19.

Other restricted cash amounts to USD 6,019 thousand as at December 31, 2013 (USD 3,666 as at December 31, 2012) and is also reported in cash equivalents.

26. Prepaid expenses and deferred income

Prepaid expenses, which include voyages in progress at year-end, amount to USD 184,454 thousand compared to USD 203,427 thousand in 2012. Current deferred income which mainly includes the same voyages in progress, amounts to USD 600,604 thousand compared to USD 644,697 thousand in 2012.

27. Assets held-for-sale and related liabilities

The assets and liabilities classified as held-for-sale are as follows:

	As at December 31, 2013	As at December 31, 2012
Goodwill	—	101,573
Vessels	47,473	8,297
Buildings	(0)	304
Harbor equipment	0	57,478
Other intangible assets	(0)	61,576
Other tangible assets	0	6,394
Financial assets	—	101,820
Investments in associates and joint ventures	(0)	199,526
Securities	—	4,696
Cash and cash equivalents	—	26,435
Deferred tax	—	19,439
Working capital	0	22,597
Assets classified as held-for-sale	**47,473**	**610,135**

	As at December 31, 2013	As at December 31, 2012
Financial debt	29,522	166,657
Provisions	—	22,022
Other liabilities	0	25,914
Liabilities associated to assets classified as held-for-sale	**29,522**	**214,593**

As at December 31, 2013, assets held-for-sale relate to a 8,400 TEU vessel that has been sold at the beginning of March 2014 for an amount of USD 50,000 thousand, and subsequently leased back for a 3-year period.

As at December 31, 2012, assets held for sale and associated liabilities related to certain vessels which have been subsequently either scrapped or sold and 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).

28. Share capital and other reserves

The share capital is fully constituted of ordinary shares with the exception of two preference shares held by Yildirim (one “A” preferred share) and the Fonds Strategique d’Investissement (FSI—one “C” preferred share).

In 2011 and 2013, Yildirim subscribed to bonds mandatorily redeemable in the Company’s preferred shares as at December 31, 2015. As at December 31, 2017, these preferred shares held by Yildirim will automatically be converted into common shares of the Company giving access to 24% of the Company’s ordinary shares on a fully diluted basis.

In June 2013, the FSI subscribed to new bonds mandatorily redeemable in the Company’s ordinary shares, giving access to 6% of the Company’s ordinary shares upon conversion on a fully diluted basis.

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.

The fully diluted share capital can be presented as follows:

Fully diluted share capital	Number of shares	% of share capital	Number of voting rights	% of voting rights
Outstanding shares as of December 31, 2013	10,578,357	70.0%	10,578,357	70.0%
Shares resulting from the conversion of bonds redeemable in shares subscribed by Yildirim in 2010	3,022,387	20.0%	3,022,387	20.0%
Shares resulting from the conversion of bonds redeemable in shares subscribed by Yildirim in 2013	604,477	4.0%	604,477	4.0%
Shares resulting from the conversion of bonds redeemable in shares subscribed by FSI (Bpifrance) in 2013	906,717	6.0%	906,717	6.0%
	15,111,939	**100.0%**	**15,111,939**	**100.0%**

Other reserves break down as follows:

	As at December 31, 2013	As at December 31, 2012
Cash flow hedge	(108,809)	(94,257)
Actuarial gains (losses) on defined benefit pension plans	(8,995)	(15,933)
Available-for-sale financial assets	(1,052)	(1,052)
Share of other comprehensive income of associates	570	(3,514)
Deferred tax on reserve	5,568	12,340
Other reserves	**(112,718)**	**(102,417)**

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, 2013	Reimbursement date: December 31,					
		2014	2015	2016	2017	2018	Onwards
Senior Notes	**1,279,185**	19,406	19,098	18,753	413,910	414,319	393,699
Bonds redeemable in shares	**314,296**	55,040	61,782	69,290	77,855	18,413	31,916
Bank debt	**2,027,575**	365,191	319,186	253,384	224,168	203,216	662,430
Obligations under finance leases	**1,214,458**	293,017	121,629	133,775	103,398	103,931	458,708
Bank overdrafts	**80,926**	80,926	—	—	—	—	—
Other financial debts	**839,112**	118,730	484,291	228,250	651	750	6,440
Total	**5,755,552**	932,310	1,005,986	703,452	819,982	740,629	1,553,193

Variations in financial debts can be analyzed as follows:

	Senior Notes	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	397,839	137,468	356,354	283,570	35,263	297,675	1,508,170
Repayment of financial indebtedness, net of proceeds from refinancing	(57,630)	(44,794)	(955,714)	—	—	(98,662)	(1,156,800)
Principal repayments on obligations under finance leases	—	—	—	(191,597)	—	—	(191,597)
Accrued interests	—	—	(0)	0	—	(5,967)	(5,967)

	Senior Notes	Bonds redeemable in shares (see Note 4)	Bank debt	Obligation under finance lease	Bank overdrafts	Other financial debt	Total
Reclassification from non current deferred income	—	—	—	5,692	—	—	5,692
Refinancing of assets	—	—	207,717	(207,717)	—	—	—
Reclassification to liabilities associated with assets held for sale—Vessels	—	—	(29,263)	—	—	—	(29,263)
Reclassification from / to other liabilities	—	—	(8,353)	(354)	—	0	(8,707)
Acquisition (disposal) of subsidiaries	—	—	—	—	—	3	3
Foreign currency translation adjustments	18,184	—	20,362	4,614	355	27,356	70,870
Balance as at December 31, 2013	**1,279,185**	**314,296**	**2,027,575**	**1,214,458**	**80,926**	**839,112**	**5,755,552**

As a consequence of the coupon payments on bonds redeemable in shares, the Company records:

- a financial expense based on the market rate used to determine the liability component of these instruments; and
- a reduction in financial debt for the residual amount paid.

New bond issuance

In December 2013, the Company issued a 5-year unsecured bond amounting to EUR 300,000 thousand with a 8.75% coupon, rated Caa1 by Moody’s and CCC+ by Standard & Poors.

Other financial debt

As at December 31, 2013, other financial debt mainly includes USD 664,089 thousand of debt linked to securitization of receivables and USD 102,000 thousand of vendor loans from shipyards. Subsequent to the balance sheet date, the Company early repaid with cash available USD 74,000 thousand of these vendor loans due to the shipyards.

In October 2013, the Company finalized an additional securitization of receivables agreement with certain financial institutions for an amount of USD 200,000 thousand (see Note 3.1).

Financial debts and related interest rates have the following characteristics:

Financing	Senior Notes	Bonds redeemable in shares	Bank debt	Obligations under finance leases	Other financial debt and overdrafts	Average Interest rate before hedging and amortized cost
Vessels	105,934	—	1,346,440	1,059,530	102,000	5.21%
Containers	—	—	180,611	89,899	—	4.63%
Land and buildings	—	—	245,070	10,518	—	1.66%
Handling	—	—	244	10,962	—	4.85%
Other tangible assets	—	—	8,765	43,549	—	3.41%
Other	1,173,251	314,296	246,445	—	818,038	6.67%
Total	**1,279,185**	**314,296**	**2,027,575**	**1,214,458**	**920,038**	

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, 2013	Reimbursement date: December 31,					
		2014	2015	2016	2017	2018	Onwards
Senior Note	**1,830,593**	140,383	138,589	136,789	511,326	491,425	412,081
Redeemable Bonds	**418,685**	90,000	90,000	90,000	90,000	22,685	36,000
Bank debt	**2,402,592**	455,007	394,608	312,506	264,094	232,008	744,369

	As at December 31, 2013	Reimbursement date: December 31, 2014	2015	2016	2017	2018	Onwards
Obligations under finance leases	**1,584,414**	368,929	190,067	193,829	147,899	146,442	537,248
Bank overdrafts	**81,605**	81,605	—	—	—	—	—
Other financial debts	**836,563**	95,049	498,985	232,686	1,056	1,118	7,669
Total	**7,154,452**	**1,230,973**	**1,312,249**	**965,810**	**1,014,375**	**893,678**	**1,737,367**

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, 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	16,654	27,345	149,739	193,737	
Reversals during the period (unused)	(5,634)	(11,951)	(54)	(17,639)	
Reversals during the period (used)	(10,297)	(17,449)	(23,768)	(51,514)	
Reclassification to / from other liabilities	141	—	1,176	1,317	
Actuarial gain / loss recognized in the OCI	(2,972)	—	—	(2,972)	
Foreign currency translation adjustment	1,041	515	280	1,836	
As at December 31, 2013	**119,028**	**80,416**	**141,840**	**341,285**	***25,523***

Litigations

During the year ended December 31, 2013, a provision amounting to USD 25,000 thousand related to a litigation with a ship-owner for the construction of three vessels has been fully released with an unused portion of USD 11,951 thousand (see Notes 9 and 31).

The provision for litigation as at December 31, 2013 corresponds to cargo related and other claims incurred in the normal course of business. None of these claims taken individually represents a significant amount.

Other risks and obligations

As disclosed in Note 4 and 9, 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 amounts to USD 111,577 thousand as at December 31, 2013 (no provision as at December 31, 2012).

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 other shipping companies, is part of these investigations.

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 fully cooperates with the European Commission.

Retirement benefit obligations

The situation of interest rates in the Euro zone resulted in a stable discount rate being used to evaluate the Company's liability regarding pension and employee benefits. In the meantime, the Australian rate was switched from private bonds to state bonds reference (due to a lack of liquidity in the private market). As a result of this change in discount rate, the Company recorded a gain of USD 2,972 thousand in other comprehensive income.

Amounts in the balance sheet are as follows:

	As at December 31, 2013	As at December 31, 2012
Liabilities	(149,961)	(147,629)
Assets	30,931	27,533
Net liability	**(119,030)**	**(120,096)**

The amounts recognized in the balance sheet are determined as follows:

	As at December 31, 2013	As at December 31, 2012
Present value of unfunded obligations	(111,097)	(111,430)
Present value of funded obligations	(38,864)	(36,199)
Fair value of plan assets	30,931	27,533
Net present value of obligations	**(119,030)**	**(120,096)**

Variations in the defined benefit obligations over the year are as follows:

	As at December 31, 2013	As at December 31, 2012
Beginning of year	**147,629**	**149,607**
Plan amendment—past service cost	(5,161)	(9,135)
Service cost	10,597	10,240
Interest cost	4,659	6,079
Actuarial losses/(gains)	953	16,382
Benefits paid	(9,131)	(13,076)
Employee contributions	302	281
Expenses Paid	(55)	(177)
Taxes paid	(78)	(96)
Premiums paid	(38)	(38)
Reclassification of liabilities associated to assets held for sale	(335)	(16,404)
Acquisition / disposal of subsidiaries and other	1,165	1,124
Plan curtailments	(474)	1,173
Exchange differences	(72)	1,669
End of year	**149,961**	**147,629**

Plan assets vary as follows:

	As at December 31, 2013	As at December 31, 2012
Beginning of year	**27,533**	**20,781**
Expected return on plan assets	835	834
Actuarial (losses)/gains	1,284	4,307
Benefits paid	(3,321)	(12,076)
Employer contributions	4,666	13,000
Employee contributions	302	281
Expenses Paid	(200)	(177)
Taxes paid	(78)	(96)
Premiums paid	(38)	(38)
Acquisition of subsidiaries and other	1,061	—
Exchange differences	(1,113)	717

	As at December 31, 2013	As at December 31, 2012
End of the year	**30,931**	**27,533**

The accumulated actuarial gain recognized in other comprehensive income amounts to USD (13,438) thousand as at December 31, 2013 (accumulated actuarial gain of USD (16,374) thousand as at December 31, 2012).

The amounts recognized in the income statement are as follows:

	As at December 31, 2013	As at December 31, 2012
a. Current service cost excluding taxes, expenses, employees contributions and premiums	10,597	10,240
b. Administrative expenses and taxes	236	311
c. Employees contributions	—	(281)
d. Past service cost/curtailment	(5,161)	(9,047)
e. Non-routine settlements	(474)	692
Total service cost	**5,198**	**1,915**
a. Interest on the DBO (g)/l	4,659	6,079
b. Interest on Assets g/(l)	(835)	(834)
c. Interest on Assets ceiling (g)/l	—	—
d. Interest on reimbursement rights (g)/l	(74)	
Total net interest	**3,750**	**5,245**
Remeasurements of Other Long Term Benefits	2,592	3,422
Benefit expense recognized in the income statement	**11,541**	**10,582**
Remeasurements (recognized in other comprehensive income)	**(2,972)**	**8,653**
Total defined benefit cost recognized in P&L and OCI	8,569	19,235

The amounts recognized in the Balance sheet in the net liability are as follows:

	As at December 31, 2013	As at December 31, 2012
Net liability as of beginning of year	**(120,096)**	**(128,826)**
Benefit expense recognized in the income statement	(11,541)	(10,582)
Remeasurements (recognized in other comprehensive income)	2,972	(8,653)
Employer contributions	5,575	13,323
Benefits paid directly	4,901	1,000
Acquisition / disposal of subsidiaries and other	192	14,597
Credit to reimbursements	9	—
Exchange differences	(1,042)	(955)
Net liability as of end of year	**(119,030)**	**(120,096)**

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, 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
As at December 31, 2013	149,961	30,931	(119,030)	953	1,284

The actuarial assumptions used for the principal countries representing a significant proportion of obligations were as follows:

	As at December 31, 2013			As at December 31, 2012		
	Euro Zone	Morocco	Australia	Euro Zone	Morocco	Australia
Discount rate	3.04%	5.25%	4.30%	3.04%	4.50%	2.77%
Future salary increase	3.08%	2.50%	4.00%	3.02%	2.50%	4.00%
Long-term inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

The Group contributed USD 7,546 thousand to its defined contribution plans in 2013 (USD 7,725 thousand in 2012).

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, 2013 the Company operates 347 vessels under time charters (330 as at December 31, 2012).

The due dates of leases payable for 375 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, 2013—not discounted	**6,444,682**	771,072	3,224,192	1,845,823	603,596
Vessels under time charts payments as of December 31, 2013—discounted	**4,026,661**	704,819	2,272,885	858,919	190,038
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

The amounts payable to ship-owners presented above only correspond to the equivalent bareboat charter payable and do not include running costs. The Company generally charters vessels under time charts which are composed of a bareboat and a running cost component. Running costs which typically include crew and technical maintenance approximate 21% 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 52% of the Group's chartering expenses as the fleet under charter is composed of different sizes of vessels.

As at December 31, 2013, the Company is committed to pay time charters in relation to 28 vessels not yet delivered. Such commitments are included in the table above and amount to USD 3,019 million on an undiscounted basis and USD 1,579 million on a discounted basis. The delivery of these vessels is scheduled to take place from 2014 to 2016. On January 2, 2014, the Company entered into a 12 year operating lease agreement for three 9,400 TEU container vessels to be delivered in 2016 (see Note 34), which are not included in the table above.

The table above also includes commitments to Global Ship Lease Inc., a related party, for an undiscounted amount of USD 652 million as at December 31, 2013 (USD 749 million as at December 31, 2012).

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, 2013	**1,961,009**	457,478	1,286,929	213,313	3,289
Containers under time charts payments as of December 31, 2012	**1,773,019**	411,931	1,099,560	254,738	6,790

This table includes commitments to Investment and Financing Corp. Ltd., a related party, amounting to USD 134,644 thousand as at December 31, 2013 (USD 161,240 thousand as at December 31, 2012).

The total amount of operating lease payments related to vessels and containers was USD 2,047 million in 2013 (USD 1,994 million in 2012).

Commitments related to ordered vessels

During the year 2013, the Company:

- Took delivery of two vessels;

- Reached an amicable agreement with a shipyard regarding an order of three vessels which had been under negotiation. Under the terms of this agreement, the contracts for these three CONRO vessels have been cancelled and have been replaced by new contracts for three 2,100 TEU container carriers. The construction cost of these new container carries will amount to USD 102,000 thousand. The Company has agreed that out of the USD 108,350 thousand that it had already paid under the previous contracts, the shipyard will retain USD 42,350 thousand as compensation for losses and damages incurred. The remaining amount of USD 66,000 thousand will be used as delivery instalments on the new contracts. The Company will still have to finance USD 36,000 thousand for these contracts;
- Ordered three vessels following the settlement of a litigation (see Note 30 and below); and
- Has received from a shipyard the confirmation of cancellation for 8 vessels related to orders under discussion as at December 31, 2012. The related prepayments are fully impaired as at December 31, 2013 (same as at December 31, 2012) (see note 20) which management considers appropriate.

As at December 31, 2013, the total orderbook amounts to USD 545,619 thousand corresponding to three 17,700 TEU container vessels and three 2,100 TEU container carriers to be delivered in 2015. Financing has been obtained for an amount of USD 310,000 thousand for the 17,700 TEU vessels. Regarding the financing of the three 2,100 TEU container carriers, USD 66,000 will be re-allocated from installments already paid by the Company for orders that were subsequently cancelled, as disclosed above. During the year ended December 31, 2013, the Company paid to shipyards USD 50,550 thousand through this financing and USD 56,362 thousand with cash available.

The contractual commitments related to the construction of these vessels can be analyzed as follows (in USD million):

	As at December 31, 2013	As at December 31, 2012
Orders under discussion with shipyards		
—units	—	11
—Remaining commitments, net of prepayments	—	758,000
Confirmed orderbook		
—units	6	2
—Remaining commitments, net of prepayments	438,707	293,820
—Committed financings	325,450	228,864
** of which payable in:*		
2013	—	293,820
2014	100,724	—
2015	337,983	—
Total	**438,707**	**293,820**

The refund guarantees granted by the banks to the Company on behalf of the shipyards until the delivery is complete amount to USD 179,100 thousand as at December 31, 2013 (USD 171 million as at December 31, 2012). These guarantees relate to the construction of 6 vessels in 2013 (2 vessels in 2012).

In order to secure the financing of its orderbook, the Company partially transferred these guarantees to the benefit of its own banks for an amount of USD 108 million.

31.2 Commitments relating to concession fees

The Company carries out certain stevedoring activities under long-term concession arrangements with governmental bodies. Future minimum discounted payments under these arrangements amount to USD 24,245 thousand as at December 31, 2013 (USD 208,726 thousand as at December 31, 2012). The reduced commitment can be explained by the fact that Terminal Link is no longer consolidated by the Company.

31.3 Other Financial Commitments

Other financial commitments primarily relate to the following:

Financial Commitments given

	As at December 31, 2013	As at December 31, 2012
Bank guarantees	155,355	110,449
Guarantees on terminal financing	143,645	126,404
Customs guarantees	11,852	13,895
Other charter hire commitments	0	22,102
Port authorities and administration	4,147	5,008
Office rented guarantees	27,810	5,156
Others garantees granted for non-current assets	101,626	19,635
Mortgage on share of associates	1,942	57,200
Pledge	458,488	568,125
Other	440,388	300,667

As at December 31, 2013, the Company transferred USD 942,594 thousand of trade receivables as collateral under a securitization program (USD 658,684 thousand as at December 31, 2012).

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 Group level.

Financial Commitments received

	As at December 31, 2013	As at December 31, 2012
Guarantees received from independent shipping agents	6,705	1,787
Guarantees received from customers	8,250	7,686
Other financial commitments received	96,233	109,143

32. Related party transactions

For the purposes of this note, the following related parties have been identified:

- Terminal activities which mainly include Terminal Link and its subsidiaries.
- Shipping activities which mainly include 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 12 years.
- Agencies which mainly include COMAG Italy, CMA CGM Korea, CMA CGM Qatar.
- Management and / or shareholder’s related entities which mainly include:
  - Merit Corporation, incorporated in Lebanon, whose ultimate shareholders are Jacques R. Saadé and members of his immediate family, who owns approximately 97% of the share capital of the Company.
  - Yildirim, incorporated in Turkey, 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 200,000 thousand (USD 289,000 thousand). In 2013, Yildirm subscribed to new bonds mandatorily redeemable in preferred shares (See Note 4).
  - The Fonds Stratégique d’Investissement (FSI now Banque Publique d’Investissement (Bpifrance)), an investment fund established by the French Government in 2008 whose main mission is to consolidate the French companies share capital who need to find stable investors to finance their development projects. The FSI subscribed in 2013 to bonds mandatorily redeemable in shares issued by the Company (See 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.
  - A non-profit foundation “Fondation d’Entreprise CMA CGM” which promotes certain cultural activities.
- Others activities which mainly include joint ventures and associates in which CMA CGM has a stake:
  - 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.

- INTTRA, a company whose activity is to develop e-commerce in the container shipping industry.

On May 31, 2013, the Company distributed a dividend to its shareholders amounting to USD 24,988 thousand.

On June 11, 2013, Terminal Link and its subsidiaries became related parties following the transaction with CMHI (See Note 4).

The related party transactions can be analysed as follows:

	Total Related Parties As at December 31,		Terminal activities As at December 31,		Shipping As at December 31,		Agencies As at December 31,		Management / Shareholder's related entities As at December 31,		Others As at December 31,	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Operating Income	**18,337**	**25,810**	8,466	3,525	—	(333	3,683	3,472	5,123	3,284	1,064	15,862
Operating Expense	**(431,256**	**(437,741**	(111,316	(104,194	(145,681	(154,807	(5,837	(5,541	(31,028	(33,402	(137,394	(139,797
Financial Result	**(58,245**	**2,667**	(28,386	26,827	1,040	1,161	7,130	1,911	(42,201	(34,167	4,173	6,935

The balance sheet positions corresponding to the related parties listed above are:

	Total Related Parties As at December 31,		Terminal activities As at December 31,		Shipping As at December 31,		Agencies As at December 31,		Management / Shareholder's related entities As at December 31,		Others As at December 31,	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Non current assets	**139,438**	**146,277**	42,903	46,735	62,732	65,023	47		40	40	33,716	34,479
Current assets	**86,173**	**70,289**	50,338	42,205	2,362	1,977	10,972	7,784	20,120	12,236	2,381	6,087
Assets held for sale	—	**76,084**	—	70,880	—	—	—	—	—	—	—	5,204
Non current liabilities	**314,722**	**188,007**	—	—	—	—	—		314,296	188,007	426	—
Current liabilities	**102,237**	**212,265**	14,521	82,448	5,903	8,634	588	3,059	64,602	95,439	16,624	22,685

Included in current liabilities are the dividends declared and not yet paid to Merit amounting to USD 58,823 thousand. This amount bears interest at 7%.

Included in employee benefits are the key management compensations for a total amount of USD 2,995 thousand as at December 31, 2013 (USD 2,933 thousand as at December 31, 2012).

33. Scope of consolidation

As at December 31, 2013, 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

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
ANL CONTAINER LINE LTD	*Australia*	100.00%	Full
ANL SINGAPORE	*Australia*	100.00%	Full
ATLAS NAVIGATION	*Morocco*	99.50%	Full
CHENG LIE NAVIGATION CO, LTD	*Taiwan*	99.28%	Full
CMA CGM ANTILLES GUYANE	*France*	100.00%	Full
CMA CGM INTERNATIONAL SHIPPING PTE LTD	*Singapore*	100.00%	Full
CMA CGM LIBYA	*Libya*	100.00%	Full
CMA CGM SHIPS	*Morocco*	99.72%	Full
CMA CGM UK SHIPPING	*United Kingdom*	100.00%	Full
CMA SHIPS SAS	*France*	100.00%	Full
CNC LINE LTD	*Taiwan*	99.28%	Full
COMANAV	*Morocco*	99.50%	Full
CYPRES BAIL 1	*France*	100.00%	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*	100.00%	Full
MARBAR MARITIME	*Morocco*	99.50%	Full
MUSCA BAIL	*France*	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
SNC ARENC BAIL 1	*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*	50.60%	Full
ANL AGENCIES PNG LTD	*Papua New Guinea*	51.00%	Full
ANL EUROPE BV	*The Netherlands*	100.00%	Full
CMA CGM ABU DHABI	*United Arab Emirates*	65.00%	Full
CMA CGM AGENCES France	*France*	99.90%	Full
CMA CGM AGENCIES INDIA Pvt Ltd	*India*	100.00%	Full
CMA CGM ALGERIE	*Algeria*	80.00%	Full
CMA CGM AMERICA LLC	*United States of America*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM AND ANL HONG KONG	*Hong Kong*	100.00%	Full
CMA CGM AND ANL MALAYSIA SDN BHD	*Malaysia*	100.00%	Full
CMA CGM AND ANL SINGAPORE	*Singapore*	100.00%	Full
CMA CGM AND ANL TAIWAN LTD	*Taiwan*	100.00%	Full
CMA CGM ANL (New Zealand) Ltd	*New Zealand*	100.00%	Full
CMA CGM ANL DUBAI	*United Arab Emirates*	60.00%	Full
CMA CGM ARGENTINA SA	*Argentina*	75.00%	Full
CMA CGM AUSTRALIA	*Australia*	100.00%	Full
CMA CGM BELGIUM	*Belgium*	100.00%	Full
CMA CGM BOLIVIA	*Bolivia*	99.95%	Full
CMA CGM BRAZIL	*Brazil*	100.00%	Full
CMA CGM CANADA	*Canada*	100.00%	Full
CMA CGM CENTRAL ASIA	*Kazakhstan*	60.00%	Full
CMA CGM CHILE SA	*Chile*	100.00%	Full
CMA CGM CHINA	*China*	100.00%	Full
CMA CGM COLOMBIA	*Colombia*	100.00%	Full
CMA CGM CROATIA	*Croatia*	100.00%	Full
CMA CGM DELMAS NIGERIA	*Nigeria*	66.70%	Full
CMA CGM DEUTSCHLAND	*Germany*	100.00%	Full
CMA CGM EAST AND SOUTH INDIA	*India*	100.00%	Full
CMA CGM ECUADOR	*Ecuador*	99.90%	Full
CMA CGM EGYPT	*Egypt*	100.00%	Full
CMA CGM ESTONIA LTD	*Estonia*	100.00%	Full
CMA CGM FINLAND	*Finland*	100.00%	Full
CMA CGM GLOBAL INDIA	*India*	51.00%	Full
CMA CGM GREECE	*Greece*	55.00%	Full
CMA CGM HOLLAND BV	*The Netherlands*	100.00%	Full
CMA CGM HUNGARY	*Hungary*	100.00%	Full
CMA CGM IBERICA	*Spain*	100.00%	Full
CMA CGM IRELAND	*Ireland*	100.00%	Full
CMA CGM ITALY	*Italy*	100.00%	Full
CMA CGM JAMAICA LTD	*Jamaica*	100.00%	Full
CMA CGM JAPAN	*Japan*	100.00%	Full
CMA CGM KENYA	*Kenya*	65.00%	Full
CMA CGM LATVIA Ltd	*Latvia*	100.00%	Full
CMA CGM MADAGASCAR	*Madagascar*	100.00%	Full
CMA CGM MALAYSIA SDN BHD	*Malaysia*	100.00%	Full
CMA CGM MAROC	*Morocco*	79.90%	Full
CMA CGM MEXICO	*Mexico*	100.00%	Full
CMA CGM MOZAMBIQUE	*Mozambique*	65.00%	Full
CMA CGM NOUMEA	*France (New Caledonia)*	100.00%	Full
CMA CGM PAKISTAN (PVT) LTD	*Pakistan*	60.00%	Full
CMA CGM PANAMA	*Panama*	100.00%	Full
CMA CGM PAPEETE	*France (French Polynesia)*	100.00%	Full
CMA CGM PERU SA	*Peru*	100.00%	Full
CMA CGM POLSKA LTD	*Poland*	100.00%	Full
CMA CGM PORT SAID NAVIGATION	*Egypt*	100.00%	Full
CMA CGM PORTUGAL	*Portugal*	60.00%	Full
CMA CGM REUNION	*France (Reunion)*	75.00%	Full
CMA CGM ROMANIA	*Romania*	51.00%	Full
CMA CGM RUSSIA	*Russia*	100.00%	Full
CMA CGM SCANDINAVIA—AS Norway	*Norway*	100.00%	Full
CMA CGM SCANDINAVIA AS—Denmark	*Denmark*	100.00%	Full
CMA CGM SCANDINAVIA AS—Sverige	*Sweden*	100.00%	Full
CMA CGM SERBIA	*Serbia*	100.00%	Full
CMA CGM SHIPPING AGENCIES UKRAINE	*Ukraine*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM SLOVENIA	*Slovenia*	100.00%	Full
CMA CGM ST LUCIA LTD	*Saint Lucia*	100.00%	Full
CMA CGM ST MARTEEN	*The Netherlands*	51.00%	Full
CMA CGM STH AFRICA	*South Africa*	100.00%	Full
CMA CGM SUDAN	*Sudan*	100.00%	Full
CMA CGM TRINIDAD	*Trinidad-and-Tobago*	60.00%	Full
CMA CGM TURKEY	*Turkey*	94.80%	Full
CMA CGM UKRAINE	*Ukraine*	55.00%	Full
CMA CGM URUGUAY	*Uruguay*	55.00%	Full
CMA CGM VENEZUELA	*Venezuela*	100.00%	Full
COMARINE	*Morocco*	89.92%	Full
COMPAGNIE GENERALE DE L'ATLANTIQUE	*France*	100.00%	Full
DELMAS BENIN	*Benin*	51.00%	Full
DELMAS CAMEROUN	*Cameroun*	51.00%	Full
DELMAS CHINA SHIPPING CO LTD	*China*	100.00%	Full
DELMAS CONGO	*Congo*	50.80%	Full
DELMAS COTE D'IVOIRE	*Ivory Coast*	65.00%	Full
DELMAS GABON	*Gabon*	50.80%	Full
DELMAS GHANA	*Ghana*	63.90%	Full
DELMAS HONG KONG LTD	*Hong Kong*	100.00%	Full
DELMAS RDC	*Congo*	51.00%	Full
DELMAS SENEGAL	*Senegal*	50.90%	Full
DELMAS TOGO	*Togo*	50.80%	Full
DEXTRA MAGHREB	*Morocco*	99.49%	Full
France MARITIME AGENCY	*Mauritius*	100.00%	Full
MAC ANDREWS NETHERLANDS BV	*The Netherlands*	100.00%	Full
MAC ANDREWS SA	*Spain*	100.00%	Full
SOMARIG	*France (Guyana)*	100.00%	Full
SUDCARGOS ALGERIE SPA	*Algeria*	51.70%	Full
UAB CMA CGM LIETUVA	*Lithuania*	100.00%	Full
HANDLING ACTIVITY			
ALTERCO	*Algeria*	58.98%	Full
CGA AND CIE SAS	*France*	100.00%	Full
CMA TERMINALS	*France*	100.00%	Full
GMG	*France (Guadeloupe)*	100.00%	Full
GMM	*France (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
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*	100.00%	Full
PROGECO France	*France*	100.00%	Full
PROGECO HOLLAND BV	*The 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
MA CGM LOGISTICS (Asia) LTD	*Hong Kong*	100.00%	Full
CMA CGM LOGISTICS AMERICA	*United States of America*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM LOGISTICS EGYPT	*Egypt*	100.00%	Full
CMA CGM LOGISTICS France	*France*	100.00%	Full
CMA CGM LOGISTICS N.V BELGIUM	*Belgium*	100.00%	Full
TCX MULTIMODAL LOGISTICS	*France*	100.00%	Full
RAIL ACTIVITY			
GREENMODAL TRANSPORT	*France*	100.00%	Full
RAIL LINK ALGERIA	*Algeria*	55.00%	Full
REAL ESTATE ACTIVITY			
CMA CGM HOLLAND PYRAMIDS BV	*The Netherlands*	100.00%	Full
CMA CGM IMMO SCI	*France*	100.00%	Full
CMA CGM PYRAMIDES France	*France*	100.00%	Full
CMA CGM PYRAMIDS EGYPT	*Egypt*	100.00%	Full
CMA CGM PYRAMIDS Malaysia	*Malaysia*	100.00%	Full
CMA CGM PYRAMIDS Norfolk	*United States of America*	100.00%	Full
CMA CGM PYRAMIDS UKRAINE	*Ukraine*	100.00%	Full
CMA CGM PYRAMIDS USA LLC	*United States of America*	100.00%	Full
PT PYRAMIDES Indonesia	*Indonesia*	98.50%	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*	100.00%	Full
MAC ANDREWS TOUR SA	*Spain*	100.00%	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
FINANCIAL HOLDING			
CMA CGM HOLDING BV	*The Netherlands*	100.00%	Full
CMA CGM OVERSEAS (Taiwan) INVESTMENT LTD	*Taiwan*	100.00%	Full
CMA CGM OVERSEAS INVESTMENT Holland BV	*The Netherlands*	100.00%	Full
CMA CGM PARTICIPATIONS	*France*	100.00%	Full
CMA CGM UK HOLDING	*United Kingdom*	100.00%	Full
CMA CGM WORLD WIDE	*France*	100.00%	Full
CMA TERMINALS CALIFORNIA	*United States of America*	100.00%	Full
CMA TERMINALS HOLDING	*France*	100.00%	Full
COMPAGNIE MARITIME FINANCIERE	*France*	100.00%	Full
OTHER ACTIVITIES			
CMA CGM GLOBAL AGENCY Pte Ltd	*Singapore*	100.00%	Full
CMA CGM & ANL Securities B.V.	*The Netherlands*	99.99%	Full
CMA CGM Shared Service Center India	*India*	100.00%	Full
CMA SHIPS UK	*United Kingdom*	100.00%	Full
CMA SKY LINK	*United Kingdom*	100.00%	Full
Associates and joint ventures are disclosed in the table below			
AMEYA LOGISTICS PRIVATE LTD	*India*	50.00%	Equity method
ANTWERP GATEWAY	*Belgium*	5.10%	Equity method
BROOKLYN KIEV PORT LTD	*Ukraine*	50.00%	Equity method
BUSAN NEW CONTAINER TERMINAL	*South Korea*	6.12%	Equity method
CMA CGM BANGLADESH SHIPPING LTD	*Bangladesh*	49.00%	Equity method
CMA CGM JORDAN	*Jordan*	50.00%	Equity method
CMA CGM KOREA	*South Korea*	50.00%	Equity method
CMA CGM KUWAIT	*Kuwait*	49.00%	Equity method
CMA CGM LANKA	*Sri Lanka*	40.00%	Equity method

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM QATAR	*Qatar*	40.00%	Equity method
CMA CGM TUNISIA	*Tunisia*	49.00%	Equity method
CMA SYSTEMS	*France*	50.00%	Equity method
COMAG ITALY	*Italy*	49.00%	Equity method
CONTAINER HANDLING ZEEBRUGE	*Belgium*	17.85%	Equity method
GEMALINK	*Vietnam*	25.00%	Equity method
GEMARTRANS	*Vietnam*	49.00%	Equity method
GLOBAL SHIP LEASE	*Marshall Islands*	44.45%	Equity method
INITIAL SUN LTD	*Hong Kong*	51.00%	Equity method
INTERRAF	*Ukraine*	45.00%	Equity method
MALTA FREEPORT TERMINAL LTD	*Malta*	25.50%	Equity method
MFTL HOLDING	*Malta*	25.50%	Equity method
OSCO	*Ukraine*	46.80%	Equity method
OTHL	*Cyprus*	50.00%	Equity method
PACIFIC MARITIME SERVICE	*United States of America*	10.00%	Equity method
PORTSYNERGY SAS	*France*	25.50%	Equity method
SOMAPORT	*Morocco*	51.00%	Equity method
SOUTH FLORIDA CONTAINER TERMINAL LLC	*United States of America*	26.01%	Equity method
TANGER MED GATE	*Morocco*	20.40%	Equity method
TERMINAL DES FLANDRES	*France*	46.41%	Equity method
TERMINAL DU GRAND OUEST—TGO	*France*	25.50%	Equity method
TERMINAL LINK BAYPORT LLC	*United States of America*	51.00%	Equity method
TERMINAL LINK HOUSTON STEEVEDORING INC	*United States of America*	51.00%	Equity method
TERMINAL LINK MIAMI	*United States of America*	51.00%	Equity method
TERMINAL LINK SA	*France*	51.00%	Equity method
TERMINAL LINK TEXAS LLC	*United States of America*	26.01%	Equity method
TERMINAL LINK USA INC	*United States of America*	51.00%	Equity method
TERRA ABIDJAN	*Ivory Coast*	12.75%	Equity method
XIAMEN HXCT	*China*	10.20%	Equity method

34. Post balance sheet events

Lekki International Container Terminal Services(Nigeria)

As at January 28, 2014, the Company signed an agreement with ICTSI to acquire a 25% stake of Lekki International Container Terminal Services LFTZ Enterprise, in Nigeria.

Commitments on operating leases

On January 2, 2014, the Company entered into 12 years operating lease agreements in relation to three 9,400 TEU container vessels to be delivered in 2016.

LEGAL ADVISORS TO THE ISSUER

As to U.S. law

Willkie Farr & Gallagher (UK) LLP
City Point
One Ropemaker Street
London EC2Y 9AW
United Kingdom

As to French law

Willkie Farr & Gallagher LLP
21-23, rue de la ville l'Evêque
75008 Paris
France

LEGAL ADVISORS TO THE INITIAL PURCHASERS

As to U.S. law

Shearman & Sterling (London) LLP
9 Appold Street
London EC2A 2AP
United Kingdom

As to French law

Shearman & Sterling LLP
114, avenue des Champs-Élysées
75008 Paris
France

INDEPENDENT AUDITORS

Deloitte & Associés
Les Docks—Atrium 10.4
10 place de la Joliette
13002 Marseilles
France

KPMG Audit
A Division of KPMG SA
480 avenue du Prado
13272 Marseilles Cedex 08
France

TRUSTEE, PRINCIPAL PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

LEGAL ADVISORS TO THE TRUSTEE

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

LUXEMBOURG LISTING AGENT

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building—Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

LUXEMBOURG LISTING PARTICULARS

CMA CGM S.A.

€725,000,000 7.75% Senior Notes due 2021