CMA CGM

CONSOLIDATED FINANCIAL STATEMENTS

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Year ended December 31, 2014

KPMG Audit	**Deloitte & Associés**
Division of KPMG S.A.	
480 avenue du Prado	Les Docks – Atrium 10.4
CS 90021	10 place de la Joliette
13272 Marseille Cedex 08	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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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.*	Deloitte & Associés
Georges Maregiano *Partner*	Vincent Gros *Partner*

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The accompanying notes are part of the consolidated financial statements.

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	(5)	**917.6**	**976.7**
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*

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**

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**

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).

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**
Reconcilation 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)*

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 Weighetd 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:

	Closing rate			Average rate		
Market data as at :	**2014**	**2013**	**2012**	**2014**	**2013**	**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.

	Closing rate as at December 31,			**Annual average rate**		
Market data:	**2014**	**2013**	**2012**	**2014**	**2013**	**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** **Less than 5 years**	 **More than 5 years**	**Fair value of derivatives**
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 agregation 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 alllocated 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 instrumen	(28.8)	(42.2)
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 milion 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 dow 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 begining of the period	**(10.6)**	**23.5**
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		Others	Total
	In use	In-progress		
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		Others	Total
	In use	In-progress		
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)**

Net book value of Other intangible assets	Software		Others	Total
	In use	In-progress		
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:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Leased	In-progress				
As at January 1, 2013	**4,242.2**	**2,689.8**	**196.6**	**1,145.2**	**718.3**	**275.4**	**9,267.5**
Acquisitions	38.0	1.1	420.8	37.8	3.5	27.3	**528.5**
Acquisitions of subsidiaries	-	-	-	-	-	1.0	**1.0**
Disposals	(78.5)	-	-	(183.7)	(1.6)	(10.1)	**(273.9)**
Disposals of subsidaries	-	-	-	-	(4.2)	-	**(4.2)**
Adjustment linked to an agreement with shipyard	-	-	(43.8)	-	-	-	**(43.8)**
Reclassification to assets held-for-sale	(69.4)	-	-	-	-	-	**(69.4)**
Vessels put into service and exercise of purchase option	499.4	(106.7)	(392.6)	-	-	-	**0.1**
Other reclassification	-	-	-	-	(1.1)	1.2	**0.1**
Foreign currency translation adjustment	0.3	0.6	-	(1.0)	24.6	0.6	**25.1**
As at December 31, 2013	**4,632.0**	**2,584.8**	**181.0**	**998.3**	**739.5**	**295.4**	**9,431.0**
Acquisitions	23.2	2.1	116.5	147.8	1.4	26.2	**317.2**
Acquisitions of subsidiaries	-	-	-	-	1.1	4.0	**5.1**
Disposals	(21.2)	(0.1)	-	(224.9)	(0.1)	(13.6)	**(259.9)**
Reclassification	5.2	-	(5.2)	-	-	-	**-**
Reclassification to assets held-for-sale	(5.9)	-	-	-	-	-	**(5.9)**
Exercise of purchase option	411.4	(411.4)	-	-	-	-	**-**
Foreign currency translation adjustment	(2.7)	(11.7)	-	(1.3)	(69.8)	(29.6)	**(115.1)**
As at December 31, 2014	**5,042.0**	**2,163.7**	**292.3**	**919.9**	**672.1**	**282.4**	**9,372.4**

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			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Leased	In-progress				
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 subsidaries	-	-	-	-	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 31, 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 31, 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			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Leased	In-progress				
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		
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
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
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 mentionned 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	-	-	-	-	-
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 presneted 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 mentionned 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 reimbursment 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)
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, empoyees 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:

				Actuarial (Gains) and Losses	
	Defined Benefit Obligation	Plan Assets	Funded Status	On Defined Benefit Obligation	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
- Commited 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 garantees granted for non-current assets	133.4	101.6
Mortgage on share of associates	1.7	1.9
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
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

Legal Entity	Country	Direct and indirect percentage of	Consolidation method
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
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

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
AGENCIES			
CMA CGM REUNION	*France (Réunion)*	100.00%	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
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
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

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
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
CMA SKY LINK Ltd	*United Kingdom*	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
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.