INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

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Six and three-month periods ended June 30, 2019

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Statutory Auditors' Review Report on the interim condensed consolidated financial statements

Period from January 1, 2019 to June 30, 2019

To the Board of Directors of CMA CGM S.A.

As Statutory Auditors of CMA CGM S.A. and at your request, we have reviewed the accompanying interim condensed consolidated financial statements of CMA CGM S.A., for the period from January 1, 2019 to June 30, 2019.

These interim condensed consolidated financial statements have been approved by the Board of Directors. Our role is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement. A review primarily consists of making inquiries of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Those procedures are substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently the assurance obtained that the interim condensed consolidated financial statements, taken as a whole, are free of material misstatement is moderate and less than that obtained by an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – the standard of the IFRS as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the notes 2.2.1 and 2.2.3 to the interim condensed consolidated financial statements which respectively sets out:

(i) the changes in accounting methods arising from the mandatory application of the new standard IFRS 16 – Leases and the interpretation IFRIC 23 – Uncertainty over income tax treatment since January 1, 2019 ;
(ii) a change of presentation of the operating exchange gains and losses in the interim consolidated income statement.

This report is governed by French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference which may arise out of or in connection with our engagement letter or this report.

Marseille, France
September 6, 2019
The Statutory Auditors

Deloitte & Associés

Hugues Desgranges
Partner

KPMG Audit
A Division of KPMG S.A.

Georges Maregiano
Partner

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Interim Condensed Consolidated Statement of Profit & Loss

(in USD million, except for earnings per share)

	Note	For the six-month period ended June 30,		For the three-month period ended June 30,	
		2019	2018	2019	2018
REVENUE	4.1	15,108.5	11,114.0	7,699.3	5,702.6
Operating expenses	4.2	(13,375.3)	(10,682.6)	(6,745.1)	(5,488.0)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES		**1,733.2**	**431.4**	**954.2**	**214.6**
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	10.8	12.9	4.6	5.9
Depreciation and amortization of non-current assets	5.1.2 & 5.2.1	(1,336.6)	(304.1)	(685.2)	(155.7)
Other income and (expenses)	4.4	(48.7)	(4.4)	(22.0)	(24.3)
Operating exchange gain/loss		63.0	(3.5)	23.6	(5.8)
Net present value (NPV) benefits related to assets financed by tax leases		19.4	19.6	9.4	11.1
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES		**441.2**	**151.9**	**284.5**	**45.9**
Share of income / (loss) from associates and joint ventures	7.1	112.7	11.9	16.4	2.8
EBIT	4.1	**553.9**	**163.8**	**301.0**	**48.7**
CORE EBIT		**433.8**	**158.9**	**286.0**	**72.9**
Interests expense on borrowings and lease liabilities		(679.9)	(233.4)	(358.2)	(120.7)
Interests income on cash and cash equivalent		18.9	20.9	7.2	10.8
Other net financial items		14.1	52.2	(17.4)	119.4
FINANCIAL RESULT	4.5	**(646.9)**	**(160.2)**	**(368.4)**	**9.5**
PROFIT / (LOSS) BEFORE TAX		**(93.0)**	**3.6**	**(67.4)**	**58.2**
Income taxes	4.6	(60.7)	(37.9)	(32.9)	(25.4)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**(153.7)**	**(34.4)**	**(100.4)**	**32.8**
PROFIT / (LOSS) FOR THE PERIOD		**(153.7)**	**(34.4)**	**(100.4)**	**32.8**
of which:					
Non-controlling interests		(1.5)	19.6	8.9	10.1
OWNERS OF THE PARENT COMPANY		**(152.2)**	**(54.0)**	**(109.2)**	**22.7**
Basic and diluted Earnings Per Share (EPS) attributable to owners of the parent company (in USD)		*(10.1)*	*(3.6)*	*(7.2)*	*1.5*

EBIT and Core EBIT have been defined in the 2018 annual CFS.

Interim Condensed Consolidated Statement of Comprehensive Income

(in USD million)

	Note	For the six-month period ended June 30,		For the three-month period ended June 30,	
		2019	**2018**	**2019**	**2018**
PROFIT / (LOSS) FOR THE PERIOD		**(153.7)**	**(34.4)**	**(100.4)**	**32.8**
Other comprehensive income / (loss) reclassifiable to Profit and Loss					
Cash flow hedges:					
Effective portion of changes in fair value		(23.2)	17.4	(1.7)	6.8
Reclassified to profit or loss		0.6	0.9	(1.3)	0.4
				-	-
Net investment hedge	6.1	4.4	7.5	(3.9)	10.6
Net investment hedge - Share of other comprehensive income of associates and joint ventures	7.2	1.7	7.6	(3.4)	14.8
Foreign operations – foreign currency translation differences		26.3	(26.7)	13.1	(35.3)
Share of other comprehensive income of associates and joint ventures	7.2	2.4	(20.4)	4.4	(38.2)
Other comprehensive income / (loss) non reclassifiable to Profit and Loss					
Remeasurment of defined benefit pension plans	8.1	(26.1)	6.7	(13.2)	6.2
Tax on other comprehensive income non reclassifiable to Profit and Loss	4.6.2	0.9	-	(0.0)	-
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD, NET OF TAX		**(13.1)**	**(7.0)**	**(5.9)**	**(34.7)**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD, NET OF TAX		**(166.8)**	**(41.4)**	**(106.3)**	**(1.9)**
of which:					
Non-controlling interests		(1.9)	19.0	7.2	9.6
Owners of the parent company		(164.9)	(60.3)	(113.5)	(11.5)

Interim Condensed Consolidated Statement of Financial Position - Assets

(in USD million)

	Note	As at June 30, 2019	As at December 31, 2018
Goodwill	5.1.1	2,563.3	1,166.1
Other intangible assets	5.1.2	2,791.0	1,264.1
INTANGIBLE ASSETS		**5,354.3**	**2,430.2**
Vessels	5.2.1	12,882.0	8,822.2
Containers	5.2.1	2,988.5	485.6
Lands and buildings	5.2.1	1,777.3	448.0
Other properties and equipments	5.2.1	823.5	485.4
PROPERTY AND EQUIPMENT	5.2.1	**18,471.3**	**10,241.3**
Deferred tax assets	4.6.2	164.7	63.4
Investments in associates and joint ventures	7.1	1,372.2	1,478.9
Derivative financial instruments	6.1	0.9	6.0
Other non-current operating assets	3.1	79.6	-
Other financial assets	6.2.1	443.4	448.0
NON-CURRENT ASSETS		**25,886.4**	**14,667.7**
Inventories	5.3	538.5	528.7
Trade and other receivables	5.3	3,614.2	2,494.7
Income tax assets	5.3	55.5	45.0
Derivative financial instruments	6.1	10.6	5.6
Securities and other financial assets	6.2.2	333.5	144.4
Cash and cash equivalents	6.3	1,372.0	1,401.9
Contract assets	5.3	719.9	515.9
Prepaid expenses	5.3	328.6	499.6
Assets classified as held-for-sale		-	18.8
CURRENT ASSETS		**6,972.8**	**5,654.7**
TOTAL ASSETS		**32,859.2**	**20,322.4**

Interim Condensed Consolidated Statement of Financial Position - Liabilities & Equity

(in USD million)

	Note	As at June 30, 2019	As at December 31, 2018
Share capital		234.7	234.7
Reserves and retained earnings		5,186.6	5,179.2
Profit / (Loss) for the period attributable to owners of the parent company		(152.2)	33.9
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**5,269.1**	**5,447.8**
Non-controlling interests		89.7	77.2
TOTAL EQUITY		**5,358.8**	**5,525.0**
Borrowings and lease liabilities	6.4	15,719.2	8,159.9
Derivative financial instruments	6.1	64.9	80.7
Deferred tax liabilities	4.6.2	457.5	103.8
Provisions	8.1	440.3	332.7
Employee benefits	8.1	307.3	182.4
Other non-current liabilities		83.4	92.9
NON-CURRENT LIABILITIES		**17,072.5**	**8,952.4**
Borrowings and lease liabilities	6.4	4,302.0	1,020.6
Derivative financial instruments	6.1	40.1	2.6
Provisions	8.1	140.5	72.0
Employee benefits	8.1	2.4	2.2
Trade and other payables	5.3	5,815.0	4,565.8
Income tax liabilities	5.3	108.3	96.1
Deferred income	5.3	19.7	85.6
CURRENT LIABILITIES		**10,427.9**	**5,845.0**
TOTAL LIABILITIES & EQUITY		**32,859.2**	**20,322.4**

Interim Condensed Consolidated Statement of changes in Equity

(in USD million)

	Attributable to owners of the parent						
		Reserves, retained earnings and Profit for the period					
	Share capital (i)	Bonds redeemable in shares (ii)	Premium, legal reserves, Profit / (Loss) for the period and other comprehensive income non reclassifiable to profit and loss	Other comprehensive income reclassifiable to profit and loss	TOTAL	Non-controlling interests	Total Equity
Balance as at January 1, 2018	**234.7**	**56.5**	**5,350.2**	**(110.5)**	**5,530.9**	**89.5**	**5,620.4**
Profit / (Loss) for the period	-	-	(53.9)	-	**(53.9)**	19.6	**(34.4)**
Other comprehensive income / (expense), net of tax	-	-	6.7	(13.1)	**(6.4)**	(0.6)	**(7.0)**
Total comprehensive income / (expense) for the period	**-**	**-**	**(47.2)**	**(13.1)**	**(60.3)**	**19.0**	**(41.3)**
Transaction with non-controlling interests	-	-	3.5	(0.8)	**2.7**	(10.4)	**(7.7)**
Dividends	-	-	-	-	**-**	(21.2)	**(21.2)**
Total transactions with Shareholders	**-**	**-**	**3.5**	**(0.8)**	**2.7**	**(31.6)**	**(28.9)**
Balance as at June 30, 2018	**234.7**	**56.5**	**5,306.5**	**(124.5)**	**5,473.3**	**76.9**	**5,550.1**
Balance as at December 31, 2018	**234.7**	**56.5**	**5,306.5**	**(149.8)**	**5,447.8**	**77.2**	**5,525.0**
IFRS16 Initial equity impact	-	-	15.9	-	**15.9**	-	**15.9**
Balance as at January 1, 2019	**234.7**	**56.5**	**5,322.4**	**(149.8)**	**5,463.7**	**77.2**	**5,540.8**
Profit / (Loss) for the period	-	-	(152.2)	-	**(152.2)**	(1.5)	**(153.7)**
Other comprehensive income / (expense), net of tax	-	-	(25.3)	12.6	**(12.7)**	(0.4)	**(13.1)**
Total comprehensive income / (expense) for the period	**-**	**-**	**(177.5)**	**12.6**	**(164.9)**	**(1.9)**	**(166.8)**
Acquisition of subsidiaries	-	-	-	-	**-**	1,150.7	**1,150.7**
Transaction with non-controlling interests	-	-	(17.7)	(3.7)	**(21.4)**	(1,123.3)	**(1,144.7)**
Share based compensation reserve	-	-	(8.3)	-	**(8.3)**	(0.0)	**(8.4)**
Dividends	-	-	-	-	**-**	(12.9)	**(12.9)**
Total transactions with Shareholders	**-**	**-**	**(26.0)**	**(3.7)**	**(29.7)**	**14.4**	**(15.3)**
Balance as at June 30, 2019	**234.7**	**56.5**	**5,118.8**	**(140.9)**	**5,269.1**	**89.7**	**5,358.9**

Acquisition of subsidiaries and transaction with non-controlling interests

As at acquisition date (January 4, 2019, see Note 3.1), the Company owned 32.94% of CEVA share capital; due to the full goodwill method of accounting, the fair value of non-controlling interests is reflected at acquisition date. As at June 30, 2019, as the tender offer has been settled, the Company reached an ownership of 99.56% of CEVA shares, transaction recorded as a transaction with non-controlling interests.

(i) The share capital is constituted of (i) 10,578,355 ordinary shares held by MERIT Corporation, its shareholders and related persons, (ii) 3,626,865 ordinary shares held by Yildirim and (iii) 1 preference share held by the Banque Publique d'Investissement " Bpifrance " (formerly FSI) for a total of 14,205,221 shares.

(ii) Bonds redeemable in shares correspond to the equity portion of the bonds mandatorily redeemable in ordinary shares, subscribed in June 2013 by Bpifrance. Such bonds should be redeemed as at December 31, 2020, representing 6% of the Company's ordinary shares upon conversion on a fully diluted basis.

Interim Condensed Consolidated Statement of Cash Flows

(in USD million)

		For the six-month period ended June 30,		For the three-month period ended June 30,	
	Note	**2019**	**2018**	**2019**	**2018**
Profit / (Loss) for the period		**(153.7)**	**(34.4)**	**(100.4)**	**32.8**
Reconcilation of profit / (loss) for the period to cash generated from operations :					
- Depreciation and amortization	5.2.1	1,336.6	304.1	685.2	155.7
- Net present value (NPV) benefits related to assets financed by tax leases		(19.4)	(19.6)	(9.4)	(11.1)
- Other income and expense	4.4	48.7	4.4	22.0	24.3
- Increase / (Decrease) in provisions		(62.5)	(10.2)	(53.1)	(3.5)
- Loss / (Gains) on disposals of property and equipment and subsidiaries	4.3	(10.8)	(12.9)	(4.6)	(5.9)
- Share of (Income) / Loss from associates and joint ventures	7.1	(112.7)	(11.9)	(16.4)	(2.8)
- Interest expenses on net borrowings and lease liabilities		652.6	214.3	345.6	110.0
- Income tax	4.6	60.7	37.9	32.9	25.4
- Other non cash items		9.9	(26.5)	44.6	(92.7)
Changes in working capital	5.3	**(128.4)**	**364.5**	**(70.6)**	**304.8**
Cash flow from operating activities before tax		**1,621.0**	**809.7**	**875.8**	**536.8**
- Income tax paid		(95.2)	(60.7)	(64.7)	(35.4)
Cash flow from operating activities net of tax		**1,525.8**	**749.0**	**811.1**	**501.4**
Purchases of intangible assets	5.1.2	(39.1)	(35.6)	(20.3)	(25.2)
Business combinations, transaction with non controlling interests, net of cash acquired / divested	3.1	(800.4)	(1.8)	(1,131.0)	6.8
New investments in associates and joint ventures	7.1	-	(411.2)		(402.2)
Purchases of property and equipment	5.2.1	(341.9)	(166.9)	(240.1)	(103.8)
Proceeds from disposal of property and equipment		70.3	133.3	44.3	120.6
Dividends received from associates and joint ventures	7.1	8.2	9.9	4.2	4.4
Cash flow resulting from other financial assets		(84.5)	106.7	107.8	94.3
Variation in securities		(5.2)	3.6	(4.8)	5.2
Net cash (used in) / provided by investing activities		**(1,192.4)**	**(362.1)**	**(1,239.9)**	**(300.0)**
Free Cash Flow	**5.4**	**333.3**	**386.9**	**(428.8)**	**201.4**
Dividends paid to the owners of the parent company and non-controlling interest		(4.8)	(92.4)	(4.4)	(11.9)
Proceeds from borrowings, net of issuance costs	6.4	2,321.5	466.1	1,592.9	430.3
Repayments of borrowings	6.4	(1,144.7)	(220.4)	(772.7)	(84.7)
Cash payments related to principal portion of leases (IFRS16)	-	(880.2)	(28.9)	(466.7)	(15.6)
Interest paid on net borrowings and lease liabilities		(252.0)	(189.0)	(110.3)	(77.5)
Cash payments related to interest portion of leases (IFRS16)		(354.0)	-	(176.0)	
Refinancing of assets, net of issuance costs	-	-	54.0	-	54.0
Other cash flow from financing activities		(71.5)	18.3	(37.0)	11.3
Net cash (used in) / provided by financing activities	**6.5**	**(385.8)**	**7.6**	**25.8**	**305.9**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		(16.3)	(18.2)	(6.1)	(17.7)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**(68.7)**	**376.2**	**(409.1)**	**489.7**
Cash and cash equivalents and bank overdrafts at the beginning of the year		**1,314.8**	**1,226.0**		
Cash and cash equivalents as per balance sheet		1,372.0	1,659.8		
Bank overdrafts		(125.9)	(57.6)		
Cash and cash equivalents and bank overdrafts at the end of the period	6.3	**1,246.1**	**1,602.2**		
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**(68.7)**	**376.2**		
Supplementary information: non cash investing or financing activities:					
- Assets acquired through financial debt or equivalents	5.2.1	*870.6*	*283.1*		
Supplementary information: Interest paid on net borrowings					
- Interests received		*18.6*	*22.1*		
- Interests paid		*(270.6)*	*(211.1)*		

Notes to the Interim Condensed Consolidated Financial Statements

Note 1 - Corporate information

The interim condensed Consolidated Financial Statements ("CFS") of CMA CGM S.A. ("CMA CGM") and its subsidiaries (hereafter referred to together as "the Group" or "the Company") for the six and three-month periods ended June 30, 2019 were approved and authorized for issue by the Board of Directors on September 6, 2019.

The Group operates primarily in the international containerized transportation of goods and in logistics business, through the end-to-end Freight Management and Contract Logistics solutions operated by CEVA. Other activities mainly include container terminal operations.

CMA CGM S.A. is a limited liability company ("Société Anonyme") incorporated and located in France. The address of its registered office is Boulevard Jacques Saadé, 4 Quai d'Arenc, 13235 Marseille Cedex 2, France.

Note 2 - General accounting principles

2.1 Basis of preparation

The interim condensed CFS of CMA CGM for the six and three-month periods ended June 30, 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and under the historical cost basis, with the exception of financial assets measured at fair value, securities, derivative financial instruments and net assets acquired through business combinations which have all been measured at fair value.

2.1.1 Statement of compliance

The interim condensed CFS do not include all the information and disclosures required in the annual financial statements prepared in accordance with IFRS as adopted by the European Union, and should be read in conjunction with the Group's audited annual consolidated financial statements for the year ended December 31, 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last financial statements.

IFRSs include the standards approved by the IASB, that is, IAS and accounting interpretations issued by the IFRIC or the former SIC.

2.1.2 Basis of consolidation

The CFS comprise:

- the financial statements of CMA CGM;
- the financial statements of its subsidiaries, including CEVA Group (see Note 3.1); and
- the share in the net result and the net asset of associates and joint ventures.

The CFS are presented in U.S. Dollars ("USD"), which is also the currency of the primary economic environment in which CMA CGM operates (the "functional currency"). The functional currency of the shipping activities is U.S. Dollars, except for certain regional carriers. 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 of the country in which such activities are operated.

All values are rounded to the nearest million (USD 000,000) with a decimal unless otherwise indicated.

2.2 Change in accounting policies and new accounting policies

The accounting policies adopted in the preparation of these CFS have been applied consistently with those described in the annual CFS for the year ended December 31, 2018, except as outlined in the paragraphs below.

2.2.1 Adoption of new and amended IFRS and IFRIC interpretations from January 1, 2019

IFRS 16: Leases: adopted by the European Union on November 9, 2017; effective date January 1, 2019 with earlier application permitted

Effect of first-time application of IFRS 16

The Group has adopted IFRS 16 using the modified retrospective transition method, as permitted by the standard. Hence, comparative information have not been restated. The cumulative effect of IFRS 16 initial application is recognized as an adjustment to the opening values of retained earnings as at January 1, 2019.

The application of IFRS 16 has a material impact on amounts reported in respect of the Group's non-current assets and financial liabilities, given the magnitude of the Group's operating lease arrangements. Under the former standard, expenses from operating lease contracts were recognized in the income statement on a straight-line basis under chartering expenses, logistic expenses, general and administrative and other operating expenses. From the implementation of IFRS 16, expenses from operating lease contracts consists instead primarily of straight-line amortization of the right-of-use assets and the recognition of an interest expense on lease liabilities. As a consequence of this new classification of expenses, the Group's EBITDA margin and Core EBIT margin, excluding CEVA, improved by respectively USD 887.0 million and USD 143.8 million for the six-month period ended June 30, 2019 (see Note 3.1).

The Group primarily enters into leases with respect of vessels, containers, real estate and terminal concessions.

When lease agreements include both lease and non-lease components, the Company separated both components based on their relative stand-alone price. This split was primarily applicable for vessel chartering contracts in order to exclude the running costs from the rental expense and thus determine a bareboat equivalent lease component.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the CMA CGM's incremental borrowing rates, at transition date. Borrowing rates have been determined mainly based on the asset category, the lease term and the lease currency. The weighted average discount rate used at transition was 8.9%.

In assessing the lease terms, Management assessed existing purchase options, redelivery conditions and renewal and termination options, taking into account economic factors in order to determine whether those existing options are reasonably certain to be exercised or not.

In applying IFRS 16, the group used the following practical expedients permitted by the standard:

- Grandfathering the pre-existing lease definition retained under the previous IAS 17 standard;
- Reliance on previous assessments on whether leases are onerous;
- Application of short-term exemption for operating leases with a remaining lease term of less than 12 months as at January 1st, 2019;
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

At transition date, the right-of-use ("ROU") assets were measured at the amount equal to the residual lease liability, adjusted by (i) the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at December 31, 2018, (ii) the initial direct costs, (iii) the provisions for dismantling costs and onerous contracts, (iv) the dry dock components, (v) the financial positions related to measurement at fair value of operating lease contracts acquired through previous business combinations and (vi) deferred gains recognized as at December 31, 2018. Subsequently, ROU are measured at cost less cumulated depreciation, impairment and certain remeasurement of the lease liabilities due to modifications.

As mentioned above, a provision for dismantling costs has been recognized in the containers right-of-use assets, accounted and measured in accordance with IAS 37, in order to reflect obligations liable to the lessee in certain container lease contracts to restore the leased assets before redelivering it to the lessor.

As at January 1, 2019, the measurement of IFRS 16 lease liabilities amounted to USD 6.9 billion, excluding pre-existing finance leases:

- The lease liability of equivalent bareboat commitments under vessel operating leases amounts to USD 4.1 billion;
- The lease liability corresponding to commitments under container operating leases amounts to USD 2.4 billion;
- The lease liability corresponding to commitments under terminal concession operating leases amounts to USD 0.2 billion; and
- The lease liability corresponding to commitments under real estate and other operating leases amounts to USD 0.2 billion.

There has been no material impact regarding pre-existing finance leases, for which the carrying amount of assets and liabilities reported as at December 31, 2018 have been maintained under IFRS 16 at transition date in accordance with the new standard.

The application of IFRS16 had the following impact on the Group's statement of financial position at transition date:

	As at December 31, 2018	IFRS 16 application	As at January 1, 2019
INTANGIBLE ASSETS	**2,430.2**		**2,430.2**
Vessels	8,822.2	4,181.5	13,003.7
Containers	485.6	2,419.0	2,904.7
Lands and buildings	448.0	141.3	589.3
Other properties and equipments	485.4	223.2	708.6
PROPERTY AND EQUIPMENT	**10,241.3**	**6,965.0**	**17,206.3**
Deferred tax assets	63.4	-	63.4
Investments in associates and joint ventures	1,478.9	(13.0)	1,465.9
Derivative financial instruments	6.0	-	6.0
Other financial assets	448.0	-	448.0
NON-CURRENT ASSETS	**14,667.7**	**6,952.0**	**21,619.7**
Other current assets	5,155.1	-	5,155.1
Prepaid expenses	499.6	(190.2)	309.4
Assets classified as held-for-sale	18.8		18.8
CURRENT ASSETS	**5,654.7**	**(190.2)**	**5,464.6**
TOTAL ASSETS	**20,322.4**	**6,761.8**	**27,084.3**
Share capital	234.7	-	234.7
Reserves and retained earnings	5,179.2	14.5	5,193.7
Profit / (Loss) for the year attributable to owners of the parent company	33.9	-	33.9
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	**5,447.8**	**14.5**	**5,462.3**
Non-controlling interests	77.2	-	77.2
TOTAL EQUITY	**5,525.0**	**14.5**	**5,539.5**
Borrowings and lease liabilities	8,159.9	5,773.5	13,933.4
Derivative financial instruments	80.7	-	80.7
Deferred tax liabilities	103.8	-	103.8
Provisions	332.7	16.1	348.7
Employee benefits	182.4	-	182.4
Other non-current liabilities	92.9	(65.3)	27.6
NON-CURRENT LIABILITIES	**8,952.4**	**5,724.3**	**14,676.7**
Borrowings and lease liabilities	1,020.6	1,142.5	2,163.1
Derivative financial instruments	2.6	-	2.6
Provisions	72.0	(11.9)	60.2
Employee benefits	2.2	-	2.2
Trade and other payables	4,565.8	(37.0)	4,528.8
Income tax liabilities	96.1	-	96.1
Deferred income	85.6	(70.6)	15.0
CURRENT LIABILITIES	**5,845.0**	**1,023.0**	**6,868.0**
TOTAL LIABILITIES & EQUITY	**20,322.4**	**6,761.8**	**27,084.2**

IFRS 16 impacts in the Interim Condensed Consolidated Statement of Profit and Loss for the six-month period ended June 30, 2019, excluding CEVA contribution, is presented in Note 3.1.

IFRS 16 impacts on the presentation of the Statement of cash flows is presented in Note 6.5.

The reconciliation between the opening balance of lease liabilities as at January 1, 2019 and the commitments under operating leases reported in Note 8.2.1 of 2018 CFS can be presented as follows:

Operating leases commitments as at December 31, 2018 - not discounted (*)	**8,529.6**
Short-term leases recognized as an expense on a straight-line basis	n.a.
Contracts reassessed as service contracts	n.a.
Leases of low-value assets recognised as an expense on a straight-line basis	n.a.
Termination fees included in lease liability - before discounting effect	145.2
Redelivery period (beyond lease termination date) not included in FY18 commitments - before discounting effect	337.3
Difference in termination date for specific container contracts for which the reasonably certain termination date was not consistent with IFRS 16 requirements in FY18 commitments - before discounting effect	117.8
Short-term leases recognized due to contractual purchase option	59.0
Other adjustments	68.8
Discount effect in accordance with IFRS 16 (fine-tuned compared to discount effect disclosed in FY18 commitments)	(2,341.7)
Check	*(0.0)*
Lease liabilities recognized as at January 1, 2019 (**)	**6,916.0**
Finance lease liabilities recognized as at December 31, 2018 - discounted	1,014.1
Total lease liabilities recognized as at January 1, 2019	**7,930.1**
(*) Corresponds to undiscounted operating lease commitments disclosed in the 2018 CFS for vessels, containers, concession fees and real estate	
(**) Of which:	
Non-current lease liabilities	*5,773.5*
Current lease liabilities	*1,142.5*

IFRIC 23: Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the principles of uncertain tax treatments included in the scope of IAS 12 "Income taxes". In essence, it assumes that tax authorities will examine all uncertain tax treatments and will have full knowledge of all related information when doing so. Hence, a tax liability should be recognized when it is probable that the tax authority will refuse the tax treatment.

In applying IFRIC23, Management extensively reviewed its tax risks included in the scope of the interpretation and concluded that no additional liability would have to be recognized.

The following amended Standards did not have any significant impact on the Group's CFS and performance:

Prepayment Features with Negative Compensation (Amendments to IFRS 9): Amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Amendments to IAS 28: Long-term interests in associates and joint-ventures: Clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Annual Improvements to IFRS Standards 2015-2017 Cycle

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement: If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

2.2.2 New IFRS and IFRIC interpretations effective for the financial year beginning on or after January 1, 2019 and not yet endorsed by the European Union

- *New IFRS and IFRIC interpretations effective for the financial year beginning on January 1, 2019 and not yet endorsed by the European Union*

None

- *New IFRS and IFRIC interpretations effective for the financial year beginning after January 1, 2019 and not yet endorsed by the European Union*

The impacts of the following new or amended Standards are currently being assessed by the Company:

IFRS 17: Insurance contracts
Amendments to References to the Conceptual Framework in IFRS Standards
Amendment to IFRS 3 Business Combinations
Amendments to IAS 1 and IAS 8: Definition of Material

2.2.3 Change of presentation

For a better measurement of operational profitability, Management decided to exclude operating exchange gains / (losses) from EBITDA and to present it below EBITDA and within EBIT, and excluded from Core EBIT. Such operating exchange gain / (losses) have been restated in the comparative period for better comparison.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the interim condensed CFS requires the use of judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities at the reporting date.

Although these interim condensed CFS 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 significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2018 annual CFS, have been described in the below mentioned notes of the annual CFS and are as follows:

- Judgments used for the purpose of the purchase price allocation and measurement of fair values in business combinations (see Note 3.1 of the annual CFS);
- Judgments used for the purpose of determining the operating segments (see Note 4.1 of the annual CFS);
- Judgements and estimates used for the accounting of NPV benefits related to assets financed by tax leases (see Note 4.5 of the annual CFS);
- Deferred income tax (see Note 4.7.2 of the annual CFS);
- Impairment of non-financial assets (see Note 5.3 of the annual CFS);
- Determination of the vessels useful lives and residual values (see Note 5.2 of the annual CFS);
- Demurrage receivables, accruals for port call expenses, transportation costs and handling services (see Note 5.4 of the annual CFS);
- Assessment of whether the lease contract options (purchase, extension, early termination…) are reasonably certain to be exercised or not (see 2.2.1 of these interim condensed CFS);
- Judgments used for the purpose of determining the consolidation scope (see Note 7.1 of the annual CFS);
- Significant judgments and assumptions made in determining the nature of the interests in significant associates and joint ventures (see Note 7.3.1 of the annual CFS);

- Judgements and estimates made in determining the risk related to retirement benefits, cargo and corporate claims and related accounting provisions (see Note 8.1 of the annual CFS).
  CEVA Group has almost the same nature of accounting judgments, estimates and assumptions, although the underlying transactions are not similar.

Note 3 - Business combinations and significant events

3.1 Business combinations: acquisition of CEVA Logistics

3.1.1 Description of the transaction

As disclosed in the annual CFS, on May 3, 2018, the Group invested in CEVA Logistics ("CEVA"), a global leading player in the logistics sector, at the time of CEVA's initial public offering (IPO). This investment initially took the form of convertible bonds, subsequently converted into CEVA common shares on August 13, 2018, upon obtaining all the requisite regulatory approvals. CMA CGM's investment then represented 24.99% of CEVA's capital. At an IPO price of CHF 27.5 per share, CMA CGM's investment amounted to CHF 379 million (or USD 381 million).

On October 17,2018, the Group acquired additional shares increasing its stake by 7.95%, for a total of 32.94%. These investments gave CMA CGM two seats on CEVA's Board of Directors, thus granting the Group a significant influence. Hence, the investment has been recognized as an associate until December 31, 2018.

The Group also secured 17.6% ownership through derivative instruments, the last one being entered into on January 4, 2019 representing 5% of CEVA shares, thus reaching 50.6% of economic exposure as of January 4, 2019, which has been defined as the acquisition date in accordance with IFRS 3.

The Group announced on October 25, 2018, its intention to make a tender offer to the shareholders of CEVA Logistics AG at CHF 30 per share. Such tender offer has been opened on January 28, 2019 and closed on April 2, 2019, which resulted in a total participation corresponding to 96.65% of CEVA shares and voting rights at the end of the offer. The Group then continued to purchase some CEVA shares over the market, thus reaching a 99.56% ownership as at June 30, 2019.

The settlement of derivatives as well as tender offer occurred in April, for a total consideration of USD 1,188.1 million, partly financed through the drawdown of a USD 725 million acquisition facility maturing in 1.5 years with early repayment incentive options. The total consideration paid in 2018 and 2019 to acquire 99.56% of CEVA shares amounted to USD 1.6 billion.

The disposal of most of CMA CGM logistics activities to CEVA was closed on May 2, 2019, for a total consideration of USD 105 million, for which CMA CGM granted a one year vendor loan to CEVA. Such operation did not have any material impact to these CFS as it occurred within the new Group.

CMA CGM intends to delist CEVA Logistics AG by the end of the year.

3.1.2 Consideration paid, purchase price allocation (“PPA”) and preliminary goodwill

At acquisition date, the consideration paid, the preliminary measurement at fair value of the assets acquired and liabilities assumed and the resulting full goodwill can be presented as follows (in USD million) :

		In USD million
Total consideration for 32.94% stake in CEVA Logistics at acquisition date	**A**	**507.7**
Cash acquired - Cash and cash equivalents of CEVA Logistics at acquisition date	**B**	**368.4**
Cash consideration paid for 32.94% stake in CEVA Logistics, net of cash acquired, at acquisition date	**C = A (-) B**	**139.3**
Identifiable assets acquired		
Trademarks gross		329.0
Customer relationships gross		1,173.0
Other intangible assets		63.8
Software licences and other intangible		13.0
Lands and buildings (*)		1,163.0
Other property and equipment (*)		117.8
Associates and joint ventures		345.0
Deferred tax assets		105.6
Other non current assets		130.1
Inventories		6.0
Working capital - assets		1,353.5
Liabilities assumed		
Non current borrowings and lease liabilities (*)		2,378.9
Non current derivatives		13.7
Deferred tax liabilities		368.1
Non current provisions		216.4
Current provisions		81.6
Current borrowings and lease liabilities (*)		373.1
Working capital - liabilities		1,414.5
Fair value of net assets acquired	**D**	**(46.5)**
Fair value of non controling interests at acquisition date	**E**	**1,150.6**
Remeasurement of previously acquired shares	**F**	**46.0**
Goodwill	**C (-) D (+) E (+) F**	**1,382.5**

(*) Including first time application IFRS 16

As stated above, this table is based on a 32.94% ownership at acquisition date and non-controlling interests have been measured at fair value (full goodwill).

The main estimates and principles used for the purpose of performing the preliminary purchase price allocation are as follows:

- The consideration transferred for the acquisition as well as non-controlling interests correspond to the cash paid or payable at the time of acquisition;

- As the intention of CMA CGM SA was to obtain the full control of CEVA, management decided to apply the full goodwill option in accordance with IFRS 3. The shares acquired after the acquisition date are treated as transactions with non-controlling interests.

- Excluding debt issuance costs, acquisition-related costs were incurred in the course of the transaction; these were recognised as “other income and expenses” (see Note 4.4), out of EBITDA and Core EBIT.

- Prior to the acquisition date, the Company had invested in CEVA, such investment being treated as an investment in associate till acquisition date, including the Group’s share in CEVA’s 2018 losses. Such investment has been revalued at fair value at acquisition date, resulting in a revaluation gain amounting to USD 96.6 million reported as a share of income in associates into the consolidated statement of Profit & Loss.

In accordance with IFRS 3, all acquired assets, liabilities and contingent liabilities assumed have been measured at fair value. The valuation methods used to determine the fair values of the main assets and liabilities mainly consisted in incremental cash flow method and discounted cash flow method in order to assess the CEVA trademark and customer relationships.

3.1.3 Preliminary nature of the purchase price allocation

The purchase price allocation for the acquisition of CEVA is preliminary. If facts and circumstances become known within a year of the acquisition date that existed on the date of acquisition and that would have resulted in changes to the amounts indicated above (see Note 3.1.2), the purchase price allocation of CEVA acquisition will be amended accordingly.

The preliminary purchase price allocation has resulted in the recognition of a preliminary goodwill of USD 1,382.5 million.

This preliminary goodwill is mainly explained by the value of future customer relationships.

3.1.4 Contribution of CEVA and IFRS 16 restatement to H1 2019 Profit and loss

	For the six-month period ended June 30,						For the six-month period ended June 30,	For the six-month period ended June 30,
	2019						2018	VARIANCE
	Interim Consolidated Statement of Profit & Loss	CEVA Contribution excluding IFRS 16	CEVA - IFRS 16 application	CMA CGM stand-alone IFRS 16 application	Eliminations	CMA CGM stand alone Profit & Loss excluding CEVA and IFRS 16 contribution	Published Interim Consolidated Statement of Profit & Loss	
	A	B		C	D	E = A (-) B (-) C (-) D	F	E (-) F
REVENUE	15,108.5	3,511.3	-	-	(116.7)	11,713.9	11,114.0	599.9
Operating expenses	(13,375.3)	(3,416.9)	196.3	887.0	116.7	(11,158.4)	(10,682.6)	(475.9)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES	**1,733.2**	**94.4**	**196.3**	**887.0**	**-**	**555.5**	**431.4**	**124.0**
Gains / (losses) on disposal of property and equipment and subsidiaries	10.8	0.7	-	-	-	10.2	12.9	(2.7)
Depreciation and amortization of non-current assets	(1,336.6)	(73.7)	(184.1)	(743.2)	-	(335.6)	(304.1)	(31.6)
Other income and (expenses)	(48.7)	(16.9)	-	-	-	(31.7)	(4.4)	(27.3)
Operating exchange gain/loss	63.0	0.0	-	-	-	63.0	(3.5)	66.5
Net present value (NPV) benefits related to assets financed by tax leases	19.4	-	-	-	-	19.4	19.6	(0.2)
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES	**441.2**	**4.5**	**12.2**	**143.8**	**-**	**280.7**	**151.9**	**128.8**
Share of income / (loss) from associates and joint ventures	112.7	4.8	-	-	-	107.9	11.9	96.0
EBIT	**553.9**	**9.3**	**12.2**	**143.8**	**-**	**388.6**	**163.8**	**224.8**
CORE EBIT	**433.8**	**25.5**	**12.2**	**143.8**	**-**	**252.3**	**158.9**	**93.4**
Interests expense on borrowings and lease liabilities	(679.9)	(75.9)	(22.6)	(302.2)	-	(279.3)	(233.4)	(45.9)
Interests income on cash and cash equivalent	18.9	2.0	-	-	-	16.9	20.9	(4.1)
Other net financial items	14.1	0.5	-	-	-	13.7	52.2	(38.5)
FINANCIAL RESULT	**(646.9)**	**(73.4)**	**(22.6)**	**(302.2)**	**-**	**(248.7)**	**(160.2)**	**(88.5)**
PROFIT / (LOSS) BEFORE TAX	**(93.0)**	**(64.1)**	**(10.4)**	**(158.3)**	**-**	**139.9**	**3.6**	**136.3**
Income taxes	(60.7)	(7.6)	-	-	-	(53.1)	(37.9)	(15.2)
PROFIT FOR THE year FROM CONTINUING OPERATIONS	**(153.7)**	**(71.8)**	**(10.4)**	**(158.3)**		**86.8**	**(34.4)**	**121.1**
Profit / (loss) for the year from discontinued operations	-	-	-		-	- -	0.0	- (0.0)
PROFIT / (LOSS) FOR THE YEAR	**(153.7)**	**(71.8)**	**(10.4)**	**(158.3)**	**-**	**86.8**	**(34.4)**	**121.2**
of which:						-		-
Non-controlling interests	(1.5)	(20.2)	-	-		18.7	19.6	(0.8)
OWNERS OF THE PARENT COMPANY	**(152.2)**	**(51.5)**	**(10.4)**	**(158.3)**	**-**	**68.0**	**(54.0)**	**122.1**
Basic and diluted Earnings Per Share (EPS) attributable to owners of the parent company (in USD)	*(10.1)*	-	-	-		*(10.1)*	*(3.6)*	

The information presented above differs from the information published by CEVA due to purchase price allocation adjustments. The allocation of CEVA profit or loss to non-controlling interests for the six-month period ended June 30, 2019 results from the progressive increase of the Group's interests in CEVA over the period, from 32.94% at acquisition date to 99.56% as at June 30, 2019.

In the below Notes related to the statement of Profit and Loss, the contribution of CEVA has not been presented systematically. As a consequence, these Notes should be read in conjunction with the information provided in the table above.

3.1.5 Update on CEVA governance

During CEVA's Annual General Meeting (AGM) on April 29, 2019, among the key resolutions was the proposal to renew governance following the successful completion of the Public Tender Offer.

Rodolphe Saadé, Chairman and Chief Executive Officer of CMA CGM, has been elected as Chairman of the CEVA Board of Directors, with Rolf Watter acting as Vice-Chairman.

Nicolas Sartini, who currently holds the position of Group Chief Operating Officer and Deputy CEO is appointed Chief Executive Officer as from June 1, 2019. He will bring his experience and expertise to CEVA as it embarks on a new journey. He will replace Xavier Urbain who will become Executive Advisor to Rodolphe Saadé.

3.2 Group fleet development

On March 25, 2019, Rodolphe Saadé, Chairman and CEO of the CMA CGM Group, signed two strategic agreements the China State Shipbuilding Corporation (CSSC), in the presence of French President Emmanuel Macron and Chinese President Xi Jinping, by which the Group ordered ten TEU 15,000 vessels expected to be delivered from 2021.

CMA CGM chose to power half of these newbuilds with LNG, which allows for a significant reduction in CO2, sulphur, fine particles and nitrogen oxides emissions. The remaining five vessels will be fitted with hybrid scrubbers, allowing for the elimination of sulphur and fine particles emissions.

The new vessels are expected to support CMA CGM's growth and modernize the company's fleet.

Refer to the information disclosed in Note 5.2, notably for the deliveries occurred during the period.

3.3 Global Shipping Environment

Low sulphur regulation

The new International Maritime Organization (IMO) Low Sulphur Regulation will be effective from January 1, 2020 and will require all shipping companies to reduce their Sulphur emissions by 85%. This new regulation aims to reduce the environmental impact of the industry and significantly improve air quality, an initiative in which the CMA CGM Group has been involved for more than 15 years.

In this context, CMA CGM has decided to favor the use of 0.5% fuel oil for its fleet and to invest significantly by using LNG to power some of its future container ships (14 ships on order), notably resulting in a 99% reduction in Sulphur emissions and by ordering several scrubbers for its ships.

Additional cost resulting from this new regulation will be taken into account through the application or adjustment of fuel surcharges on a trade-by-trade basis.

3.4 Rating agencies

In April 2019, Standard and Poors reaffirmed the B+ CMA CGM 's long term corporate credit rating with a positive outlook.

Note 4 - Results for the period

4.1 Operating segments

As a consequence of CEVA acquisition, Management reviewed its segment information and now disclosed a new "Logistics" segment including (i) freight management activities operated by CEVA and through CMA CGM subsidiaries, notably CMA CGM Logistics which have been transferred to CEVA early May, as well as (ii) contract logistics activities performed by CEVA and (iii) ground activities handled by CEVA and other subsidiaries.

Besides, in the context of IFRS 16 application, Management complemented EBITDA to the below metrics disclosed in segment reporting information as this indicator is considered as an appropriate metric to measure segments' profitability. It corresponds to the line item "EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES" reported on the Interim Condensed Consolidated Statement of Profit & Loss.

In accordance with IAS 8.29, 2018 figures have been restated accordingly, including the Company's historical logistic activities.

The segment information for the reportable segments for the six and three-month periods ended June 30, 2019 is as follows:

	Revenue		EBITDA		EBIT	
	For the six-month period ended June 30,					
	2019	2018	2019	2018	2019	2018
Container shipping segment	11,408.1	10,829.5	1,346.2	376.1	416.6	120.9
Logistics segment	3,769.2	280.4	307.8	7.9	39.7	9.7
Other activities	320.4	309.0	79.2	47.3	44.4	28.3
Total core measures before elimination	**15,497.7**	**11,418.9**	**1,733.2**	**431.4**	**500.6**	**158.9**
Eliminations	(389.2)	(304.9)	-	-	(66.8)	-
Total core measures	**15,108.5**	**11,114.0**	**1,733.2**	**431.4**	**433.8**	**158.9**
Reconciling items	-	-	-	-	120.1	4.9
Total consolidated measures	**15,108.5**	**11,114.0**	**1,733.2**	**431.4**	**553.9**	**163.8**

	Revenue		EBITDA		EBIT	
	For the three-month period ended June 30,					
	2019	2018	2019	2018	2019	2018
Container shipping segment	5,839.0	5,566.4	780.3	185.3	312.5	55.2
Logistics segment	1,901.2	141.1	133.0	4.3	16.4	5.4
Other activities	167.7	156.6	40.9	25.0	23.9	12.3
Total core measures before elimination	**7,907.9**	**5,864.1**	**954.2**	**214.5**	**352.8**	**72.9**
Eliminations	(208.6)	(161.4)	-	-	(66.8)	-
Total core measures	**7,699.3**	**5,702.6**	**954.2**	**214.5**	**286.0**	**72.9**
Reconciling items	-	-	-	-	15.0	(24.2)
Total consolidated measures	**7,699.3**	**5,702.6**	**954.2**	**214.5**	**301.0**	**48.7**

Certain items included in EBIT are unallocated as management considers that they do not affect the recurring operating performance of the Group. As a consequence, these items are not reported in the line item "Total Core measures".

Reconciling items impacting EBIT include (i) the impact of the disposal of property and equipment and subsidiaries (see Note 4.3), (ii) other income and expenses (see Note 4.4) and (iii) potential impairment charge in associates and joint ventures.

Assets and liabilities are mostly allocated to the container shipping segment, hence there is no specific disclosure relative to their segment allocation. Regarding the investment in associates and joint ventures which primarily relates to the "Other activities" segment, see Note 7.1.

Seasonality

The Company usually experiences seasonality in its container shipping activity characterized by a higher level of demand in the summer-fall period. As a result of these seasonal fluctuations, the Company's cash flows from operations and revenue are not evenly distributed between quarters over the year. As far as Logistics segment is concerned, the freight management results are generally stronger in the final two quarters of the calendar year, which is partly offset by contract logistics results being generally stronger in the second half of the year.
The Company's seasonality is also offset to some extent by its sector diversification, as well as the global nature of its business; however, overall the Company's first quarter is generally the weakest.

4.2 Operating expenses

Operating expenses are analyzed as follows:

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2019	**2018**	**2019**	**2018**
Bunkers and consumables	(1,766.9)	(1,641.0)	(891.6)	(852.5)
Chartering and slot purchases	(743.8)	(1,121.0)	(378.6)	(588.4)
Handling and steevedoring	(3,260.3)	(2,999.1)	(1,669.7)	(1,534.8)
Inland and feeder transportation	(3,224.7)	(1,583.9)	(1,633.6)	(822.6)
Port and canal	(734.7)	(742.7)	(382.9)	(381.1)
Container equipment and repositioning	(744.2)	(1,027.2)	(352.5)	(517.1)
Employee benefits	(2,030.1)	(943.2)	(1,012.5)	(484.4)
General and administrative other than employee benefits	(671.5)	(425.8)	(330.9)	(220.8)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	(34.7)	(13.4)	(21.5)	(1.1)
Others	(164.5)	(185.3)	(71.5)	(85.2)
Operating expenses	**(13,375.3)**	**(10,682.6)**	**(6,745.1)**	**(5,488.0)**

The increase of operating expenses is mainly due to the integration of CEVA logistics, which contributed to operating expenses (primarily "Inland and feeder transportation" costs) for USD 3,103.9 million in the six-month period ended June 30, 2019, including IFRS 16 and internal transactions. The integration of CEVA has been partly compensated by the effect of the IFRS 16 application (excluding CEVA) mainly resulting in a decrease of chartering costs and container rentals by USD 887.0 million (see Note 3.1.4).

Excluding the above-mentioned non-recurring effects, operating expenses increased by USD 475.9 million, mainly due to handling costs partly driven by an increase of volumes carried and rise of bunker prices.

4.3 Gains / (Losses) on disposal of property and equipment and subsidiaries

Gains / (losses) on disposal of property and equipment and subsidiaries consist of the following:

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2019	2018	2019	2018
Disposal of vessels	2.1	5.9	1.8	3.0
Disposal of containers	3.4	5.4	(1.4)	2.7
Other fixed assets disposal	4.3	1.8	4.2	0.2
Disposal of subsidiaries	1.0	(0.3)	(0.0)	(0.0)
Gains / (losses) on disposal of property and equipment and subsidiaries	**10.8**	**12.9**	**4.6**	**5.9**

4.4 Other income and (expenses)

Other income and (expenses) can be analyzed as follows :

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2019	2018	2019	2018
Impairment (losses) / reversals of assets	0.0	(11.8)	(0.0)	(11.8)
Others	(48.7)	7.4	(22.0)	(12.5)
Other income and (expenses)	**(48.7)**	**(4.4)**	**(22.0)**	**(24.3)**

In 2019, "Others" line item includes USD (16.9) million from CEVA, mainly related to consulting costs, as well as some integration costs incurred in relation to the CEVA acquisition.

4.5 Financial result

The financial result is analyzed as follows :

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2019	2018	2019	2018
Interest expense on borrowings and lease liabilities	(679.9)	(233.4)	(358.2)	(120.7)
Interests income on cash and cash equivalents	18.9	20.9	7.2	10.8
Cost of borrowings and lease liabilities, net of interest income on cash and cash equivalents	**(661.0)**	**(212.5)**	**(351.0)**	**(109.9)**
Settlements and change in fair value of derivative instruments	0.2	(2.0)	(1.0)	(0.5)
Foreign currency income and expense, net	8.8	58.5	(23.6)	123.0
Other financial income and expense, net	5.2	(4.3)	7.2	(3.1)
Other net financial items	**14.1**	**52.2**	**(17.4)**	**119.4**
Financial result	**(646.9)**	**(160.2)**	**(368.4)**	**9.5**

For the six-month period ended June 30, 2019, "Interest expense on borrowings and lease liabilities" includes USD (322.8) million corresponding to IFRS 16 new finance cost and USD (75.9) million contribution from CEVA (excluding IFRS 16). In addition, it includes USD (11.9) million corresponding to the amortization of past issuance costs recognized using the effective interest method (USD (12.2) million for the six-month period ended June 30, 2018).

"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 gains / (losses) on financial operations due to the translation of borrowings and financial instruments denominated in currencies different from USD (mainly but not limited to transactions in EUR). Among other minor effects, the exchange gains for the six-month period ended June 30, 2019, as well as for the comparative period, are due to the depreciation of EUR currency versus USD at respective closing dates, while some exchange losses have been incurred in the three-month period ended June 30, 2019 in relation to the appreciation of EUR against USD over the second quarter of 2019.

4.6 Income and deferred taxes

4.6.1 Current income taxes

	For the six-month period ended June 30,		For the three-month period ended June 30,	
	2019	**2018**	**2019**	**2018**
Current income tax income / (expense)	(71.7)	(39.1)	(39.5)	(25.1)
Deferred tax income / (expense)	11.0	1.2	6.5	(0.3)
Income Taxes	**(60.7)**	**(37.9)**	**(32.9)**	**(25.4)**

The "Current income tax" expense for the six-month period ended June 30, 2019 includes USD (1.7) million related to prior year income tax (USD 2.0 million for the six-month period ended June 30, 2018) and USD (7.6) million related to CEVA.

4.6.2 Deferred income tax

Deferred taxes balances break down as follows:

Deferred tax assets	**As at June 30, 2019**	**As at December 31, 2018**
Investment tax credit	2.0	0.3
Tax losses carried forward	91.6	21.6
Retirement benefit obligations	20.5	13.3
Other temporary differences	61.5	28.4
Total gross deferred tax assets	**175.7**	**63.4**
Total net deferred tax assets	**164.7**	**63.4**

Deferred tax liabilities	**As at June 30, 2019**	**As at December 31, 2018**
Revaluation and depreciation of property and equipment	371.6	17.4
Undistributed profits from subsidiaries	39.1	36.4
Other temporary differences	57.8	50.0
Total deferred tax liabilities	**468.5**	**103.8**
Total net deferred tax liabillities	**457.5**	**103.8**
Total net deferred tax assets / (liabilities)	**(292.8)**	**(40.4)**

The breakdown of deferred tax assets and deferred tax liabilities presented in the table above is based on gross amounts. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax relate to the same tax authority. The amount recognized in the statement of financial position corresponds to the net deferred tax assets and liabilities.

"Tax losses carried forward" mainly relate to losses generated by the activities liable to corporate income tax in France and in relation to CEVA acquisition (see below). 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.

The increase in deferred tax assets and liabilities mainly relate to the acquisition of CEVA (see Note 3.1.2).

- CEVA recognized tax losses carried forward for an amount of USD 72.2 million and other deferred tax assets for USD 44.6 million;
- CEVA does not recognize deferred tax liability related to most of undistributed profits from subsidiaries due to the control of the timing of dividend distribution and the fact that such distribution is not expected in the foreseeable future;
- The change of control did not lead Management to reassess the value of deferred tax recognized by CEVA, except in relation to purchase price allocation, which resulted in the recognition of an additional deferred tax liability amounting to USD 361.0 million reflecting the temporary difference resulting from the recognition of new intangible assets (see Note 3.1.2).

Income tax impacts related to other comprehensive income are presented in the statement of comprehensive income.

	For the six-month period ended June 30,
	2019
Net deferred tax at the begining of the year	**(40.4)**
Changes through Profit & Loss	11.0
Currency translation adjustment	(0.0)
Other variations	(264.1)
Net deferred tax at the end of the period	**(292.8)**

The lines item "Other variations" in the table above mainly relate to the acquisition of CEVA (see Note 3.1.2). As disclosed in Note 3.1, the purchase price allocation is provisional and the related deferred tax implications may change after a full analysis of tax positions and implications.

Note 5 - Invested capital and working capital

5.1 Goodwill and other intangible assets

5.1.1 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 June 30, 2019	As at December 31, 2018
Beginning of the year	**1,166.1**	**1,054.5**
Goodwill from business combinations (see Note 3.1)	1,382.5	142.8
Other variations	14.5	(11.5)
Foreign currency translation adjustment	0.2	(19.7)
At the end of the year	**2,563.3**	**1,166.1**
of which:		
Allocated to container shipping segment	*1,160.6*	*1,145.8*
Allocated to logistics segment	*1,390.4*	*0.0*
Allocated to other activities	*12.4*	*20.4*

Despite the current challenging market conditions, Management confirmed that there was no impairment charge to be recognized based on the analysis performed in the context of the determination of the value in use of the long term assets allocated to the container shipping segment.

In 2019:

- the line item "Goodwill from business combinations" corresponds to the goodwill recognized as a result of the preliminary purchase price allocation performed on CEVA acquisition (see Note 3.1.2). In accordance with IFRS 3, the Company has 12 months from acquisition date to finalise the purchase price allocation and to allocate the residual goodwill to appropriate cash generating units;
- the line item "Other variations" corresponds to the update of the purchase price allocation related to the acquisition of Containerships.

5.1.2 Other intangible assets

The net carrying value of other intangible assets mainly relates to (i) the trademark and customer relationships recognized as part of the purchase price allocations for USD 2,191.3 million (USD 742.3 million as at December 31, 2018), out of which USD 1,468.5 million consists of the customer relationships and trademarks recognized as part of CEVA purchase price allocation, (ii) USD 77.3 million to terminal concession rights (USD 79.4 million as at December 31, 2018) and (iii) softwares in use or in progress for an amount of USD 506.6 million (USD 422.7 million as at December 31, 2018) out of which CEVA contributes for USD 78.0 million.

5.2 Property and equipment

5.2.1 Variation of property and equipment

Property and equipment are analyzed as follows:

	As at June 30, 2019	As at December 31, 2018
Vessels net		
Owned	7,052.8	7,628.2
In-progress	322.7	256.1
IFRS 16 (*)	5,506.5	937.9
	12,882.0	**8,822.2**
Containers net		
Owned	392.1	430.4
IFRS 16 (*)	2,596.5	55.3
	2,988.6	**485.7**
Lands and buildings net		
Owned	396.4	406.7
In-progress	106.8	20.8
IFRS 16 (*)	1,274.1	20.4
	1,777.3	**448.0**
Other properties and equipments net		
Owned	568.9	298.4
In-progress	33.2	177.0
IFRS 16 (*)	221.3	10.0
	823.4	**485.4**
Total net		
Owned	8,410.3	8,763.8
In-progress	462.7	454.0
IFRS 16 (*)	9,598.3	1,023.6
Property and equipment	**18,471.3**	**10,241.3**

(*) For better comparison, finance leases under IAS 17 have been presented within the line item IFRS16 in 2018 figures above

As at June 30, 2019, assets under IFRS 16 included in the above table represented a net book value of USD 9,598.3 million (USD 1,023.6 million as at December 31, 2018).

Variations in the cost of property and equipment for the six-month period ended June 30, 2019 and the year ended December 31, 2018 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	IFRS 16 (*)	In-progress				
As at January 1, 2018	**9,526.8**	**1,083.9**	**463.7**	**922.5**	**697.1**	**649.2**	**13,343.2**
Acquisitions	165.4	148.7	345.5	71.9	3.8	116.5	**851.8**
Acquisitions of subsidiaries	10.2	-	26.8	31.7	1.0	5.1	**74.8**
Adjustment on purchase price allocation	(35.4)	-	-	-	-	-	**(35.4)**
Disposals	(54.8)	(1.8)	-	(151.9)	(7.6)	(14.8)	**(230.9)**
Reclassification to held-for-sale	-	-	-	-	(20.0)	-	**(20.0)**
Reclassification	(1.1)	-	-	(1.6)	-	4.7	**2.0**
Vessels put into service	501.6	76.6	(578.1)	-	-	-	**0.0**
Foreign currency translation adjustment	(17.4)	(1.6)	(1.8)	(2.4)	(30.2)	(13.3)	**(66.7)**
As at December 31, 2018	**10,095.3**	**1,305.8**	**256.1**	**870.3**	**644.1**	**747.3**	**13,918.9**
First time application IFRS 16	(1,010.1)	5,190.4	-	2,413.2	143.2	224.1	**6,960.8**
Acquisitions	123.7	231.6	166.4	456.7	163.8	68.9	**1,211.1**
Acquisitions of subsidiaries	-	-	-	-	1,253.3	118.1	**1,371.3**
Disposals	(39.3)	(2.4)	-	(132.4)	(6.2)	(3.9)	**(184.2)**
Reclassification	-	-	-	(0.8)	0.8	(1.0)	**(1.0)**
Vessels put into service	95.7	3.8	(99.6)	-	-	-	**(0.1)**
Foreign currency translation adjustment	0.3	0.1	(0.2)	(0.2)	(10.2)	(2.7)	**(13.0)**
As at June 30, 2019	**9,265.6**	**6,729.4**	**322.7**	**3,606.8**	**2,188.7**	**1,150.7**	**23,263.8**

(*) For better comparison, finance leases under IAS 17 have been presented within the line item IFRS16 in 2018 figures above

As at June 30, 2019, the Group recognizes in its statement of financial position 108 vessels owned and 178 under IFRS 16 or equivalent agreements (147 vessels as at December 31, 2018 either owned or under finance leases).

During the six-month period ended June 30, 2019:

- "Acquisitions" of owned vessels relate to the delivery of one TEU 3,300 vessel;
- "Acquisitions" of IFRS 16 leased vessels relate to the second LNG-powered ship Containerships Polar (TEU 1,380), 2 TEU 8,200 vessels, 3 TEU 6,900 vessels and 4 TEU 4,200 vessels;
- "Acquisitions" of in-progress vessels relate to prepayments paid to shipyards in relation to the orderbook (including nine TEU 22,000 vessels) and includes the delivery instalments paid at the delivery date of one TEU 3,300 vessel;
- "Vessels put into service" relates to delivery of one TEU 3,300 vessel;
- Acquisition of containers relate to the exercise of purchase options and to new leases entered into as well as some modification of existing leases.

Variations occurred during the year ended December 31, 2018 are disclosed in Note 5.2.1 of the annual 2018 CFS.

Borrowing costs capitalized during the six-month period ended June 30, 2019 amounted to USD 6.6 million (USD 13.1 million for the year ended December 31, 2018).

Acquisition of property and equipment and reconciliation with the Consolidated Statement of Cash Flows

Purchases of property and equipment amounted to USD 1,211.1 million for the six-month period ended June 30, 2019 (USD 851.8 million for the year ended December 31, 2018).

The reconciliation of these acquisitions with the capital expenditures (CAPEX) presented in the statement of cash-flows, under the heading "Purchase of property and equipment" can be presented as follows:

		As at June 30,	
		2019	2018
Acquisition of assets presented in the above table	a	1,211.1	445.8
(-) Assets not resulting in a cash outflow (i)	b	144.5	278.8
(-) IFRS16 leases increase	c	724.7	-
CAPEX cash from purchases of property and equipment	a (-) b (-) c = d	341.9	167.0
CAPEX cash from purchases of intangible assets	e	39.1	35.6
CAPEX cash from business combination	f	800.4	-
Total CAPEX as per Consolidated Statement of Cash Flows	**d (+) e (+) f**	**1,181.4**	**202.5**

(i) The group assets include assets financed via financial leases or assets which purchase price is settled directly by the financing bank to the yard hence not resulting in a cash stream upon acquisition.

Variations in the accumulated depreciation for the six-month period ended June 30, 2019 and the year ended December 31, 2018 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	IFRS 16 (*)	In-progress				
As at January 1, 2018	**(2,140.8)**	**(312.8)**	**-**	**(359.9)**	**(187.3)**	**(222.8)**	**(3,223.6)**
Depreciation	(381.1)	(48.1)	-	(38.3)	(21.8)	(57.9)	**(547.3)**
Disposals	44.2	1.8	-	13.2	5.0	11.7	**75.8**
Impairment	(5.3)	-	-	-	(0.1)	-	**(5.4)**
Vessels refinancing & exercise of purchase option	9.1	(9.1)	-	-	-	-	**-**
Reclassification to held-for-sale	-	-	-	-	1.2	-	**1.2**
Reclassification	2.3	-	-	0.1	-	(0.2)	**2.2**
Foreign currency translation adjustment	4.6	0.3	-	0.3	6.9	7.3	**19.6**
As at December 31, 2018	**(2,467.1)**	**(367.9)**	**-**	**(384.6)**	**(196.1)**	**(261.8)**	**(3,677.5)**
First time application IFRS 16	405.5	(404.4)	-	-	0.1	(1.3)	**(0.1)**
Depreciation	(181.0)	(453.4)	-	(320.4)	(223.8)	(70.3)	**(1,248.9)**
Acquisitions of subsidiaries	-	-	-	-	-	-	**-**
Disposals	29.9	2.4	-	86.5	5.9	3.6	**128.2**
Reclassification	(0.3)	-	-	0.2	1.1	1.2	**2.1**
Foreign currency translation adjustment	0.3	(0.0)	-	0.0	1.6	1.5	**3.3**
As at June 30, 2019	**(2,212.7)**	**(1,222.9)**	**-**	**(618.3)**	**(411.3)**	**(327.2)**	**(4,792.5)**

(*) For better comparison, finance leases under IAS 17 have been presented within the line item IFRS16 in 2018 figures above

Including intangible assets, the total depreciation for the six-month period ended June 30, 2019 amounts to USD 1,336.6 million (USD 634.0 million for the year ended December 31, 2018).

The net book value of property and equipment at the opening and closing for the six-month period ended June 30, 2019 and the year ended December 31, 2018 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	IFRS 16 (*)	In-progress				
As at June 30, 2019	7,052.8	5,506.5	322.7	2,988.5	1,777.3	823.5	**18,471.3**
As at December 31, 2018	7,628.2	937.9	256.1	485.6	448.0	485.5	**10,241.3**
As at December 31, 2017	7,385.9	771.1	463.7	562.6	509.8	426.5	**10,119.6**

(*) For better comparison, finance leases under IAS 17 have been presented within the line item IFRS16 in 2018 figures above

5.2.2 Group fleet development

Prepayments made to shipyards relating to owned vessels under construction are presented within "Vessels" in the interim condensed consolidated statement of Financial Position and amount to USD 322.7 million as at June 30, 2019 (USD 256.1 million as at December 31, 2018).

Apart from the vessel order disclosed in Note 3.2 and the deliveries disclosed in Note 5.2.1, there has been no other significant change compared to the orderbook and associated commitments reported in Note 5.2.2 and 8.2.1 of the 2018 annual CFS.

5.3 Working Capital

5.3.1 Inventories

	As at June 30, 2019	As at December 31, 2018
Bunkers	452.4	451.7
Other inventories	87.0	78.4
Provision for obsolescence	(0.8)	(1.4)
Inventories	**538.5**	**528.7**

5.3.2 Trade receivables and payables

Trade and other receivables are analyzed as follows:

	As at June 30, 2019	As at December 31, 2018
Trade receivables	2,493.7	1,644.2
Less impairment of trade receivables	(111.2)	(101.0)
Trade receivables net	**2,382.5**	**1,543.2**
Prepayments	237.9	129.4
Other receivables, net	780.8	680.6
Employee, social and tax receivables	268.4	186.4
Trade and other receivables (*)	**3,669.7**	**2,539.7**

(*) including current income tax asset

CEVA contribution to trade and other receivables amounts to USD 1,254.3 million, mainly explaining the variation occurred from December 31, 2018.

"Other receivables, net" mainly include accrued income estimated due to the time between the provision of services and the issue of the final invoices.

Trade and other payables are analyzed as follows:

	As at June 30, 2019	As at December 31, 2018
Trade payables	2,664.2	2,031.3
Employee, social and tax payables	494.8	340.7
Other payables (mainly accruals for port call expenses, transportation costs, handling services)	2,764.2	2,290.0
Trade and other payables (*)	**5,923.2**	**4,662.0**

(*) including current income tax liability

CEVA contribution to trade and other payables amounts to USD 1,338.8 million, mainly explaining the variation occurred from December 31, 2018.

The working capital can be analyzed as follows:

	As at December 31, 2018	Variations linked to operations	Acquisition of subsidiaries (see Note 3.1)	Currency translation adjustment	Others (***)	As at June 30, 2019
Inventories	528.7	3.3	6.0	(0.0)	0.6	538.5
Trade and other receivables (*)	2,539.7	(46.4)	1,205.4	(4.2)	(24.8)	3,669.7
Contract assets	515.9	64.7	138.7	(0.8)	1.5	719.9
Prepaid expenses	499.6	(16.1)	19.8	(0.1)	(174.6)	328.6
Trade and other payables (**)	(4,662.0)	88.3	(1,401.9)	11.2	41.1	(5,923.2)
Deferred income	(85.6)	34.6	(36.1)	0.2	67.2	(19.7)
Net working capital	**(663.7)**	**128.4**	**(68.2)**	**6.3**	**(89.0)**	**(686.2)**

(*) including current income tax asset

(**) including current income tax liability

(***) Mainly related to IFRS 16 first time application described in Note 2.2.1

Acquisition of subsidiaries is mainly related to CEVA (see Note 3.1.2).

5.4 Free cash flow

Free cash flow amounts to USD 333.3 million for the six-month period ended June 30, 2019, composed of cash flow from operations for USD 1,525.8 million (of which EBITDA contributed for USD 1,733.2 million, income tax paid for USD (95.2) million and a negative variation of working capital for USD (128.3) million) and cash flow used for investing activities for USD 1,192.4 million.

Cash flow from investing activities has been mainly impacted by capital expenditures from purchasing of property and equipment, representing a cash outflow of USD (341.9) million, as well as the cash out resulting from the acquisition of CEVA for USD (800.3) million net of CEVA cash position at acquisition date, the proceeds from disposal of properties and equipments for USD 70.3 million, the net cash flow resulting from the variation of other financial assets for USD (84.5) million and the dividends received from investments in associates and joint ventures for USD 8.2 million.

Free cash flow has been positively impacted by IFRS 16 application as lease payments are now regarded as financing cash flows while it used to be reported as operating cash flows under IAS 17 (see Note 6.5).

Note 6 - Capital structure and financial debt

Except for the information provided below and in Note 6.1 of these interim condensed CFS, the Group's objectives & policies in terms of financial risk management have been detailed in Note 6.1 of the 2018 annual CFS.

The situation of the main aggregates used in the Company's covenants' calculation is as follows:

		As at June 30,	As at December 31,
	Note	2019	2018
Total Borrowings and lease liabilities	6.4	**20,021.2**	**9,180.5**
(-) Bonds redeemable in shares in Borrowings and lease liabilities	6.4	(31.9)	(31.9)
(-) LTV deposits	6.2.1	-	(23.2)
Adjusted gross debt : A		**19,989.3**	**9,125.4**
Cash and cash equivalents as per statement of financial position	6.3	**1,372.0**	**1,401.9**
(+) Securities	6.2.2	40.9	35.3
(-) Restricted cash	6.3	(57.1)	(46.7)
Unrestricted cash and cash equivalents : B		**1,355.8**	**1,390.6**
Adjusted net debt : A (-) B		**18,633.5**	**7,734.8**

		As at June 30,	As at December 31,
	Note	2019	2018
Total Equity		**5,358.8**	**5,525.0**
(+) Bonds redeemable in shares in Borrowings and lease liabilities	6.4	31.9	31.9
(-) Currency translation adjustment recognized in total equity		143.9	173.5
Adjusted Equity		**5,534.6**	**5,730.5**

6.1 Derivative financial instruments

6.1.1 Derivative financial instruments are analyzed as follows

	As at June 30, 2019		As at December 31, 2018	
	Assets	Liabilities	Assets	Liabilities
Interest swaps - cash flow hedge	4.6	1.4	7.6	-
Interest swaps - not qualifying to hedge accounting	-	0.1	0.6	-
Bunker hedge - cash flow hedge	-	-	-	1.7
Cross currency interest rates swaps - fair value hedge	-	48.2	-	57.8
Cross currency interest rates swaps - cash flow hedge	-	55.7	-	22.9
Net Investment hedge	6.8	-		
Currency forward contracts - not qualifying to hedge accounting	-	-	3.4	0.8
Currency forward contracts - fair value hedge	-	(0.3)		
Total derivative financial instruments	**11.5**	**105.0**	**11.6**	**83.3**
of which non-current portion (greater than 1 year)	*0.9*	*64.9*	*6.0*	*80.7*
of which current portion (less than 1 year)	*10.6*	*40.1*	*5.6*	*2.6*

As at June 30, 2019 and December 31, 2018, the Company did not record any transfer between derivative financial instruments' categories.

6.1.2 Net investment hedge

FX derivatives have been recognized as NIH instruments within CEVA perimeter, for an amount of USD 6.8 million.
In addition, a portion of the EUR loan issued by CMA CGM has also been designated previously as a hedging instrument, as disclosed in the 2018 annual CFS, for the changes in the value of the net investment that is attributable to changes in the EUR/USD exchange rates. The amount of the change in the value of the Senior Notes that has been recognized in OCI to offset the currency translation adjustment of the foreign operation amounts to USD (6.1) million for the six-month period ended June 30, 2019 (USD 21.3 million for the year ended December 31, 2018).

6.2 Other non-current financial assets - Securities and other current financial assets

6.2.1 Other non-current financial assets

Other non-current financial assets are analyzed as follows:

	As at June 30,	As at December 31, 2018
Gross	71.5	71.4
Impairment	(5.0)	(6.2)
Investments in non consolidated companies	**66.4**	**65.2**
Gross	74.8	80.9
Impairment	(18.2)	(18.2)
Loans	**56.6**	**62.6**
Gross	90.6	120.1
Impairment	-	-
Deposits	**90.6**	**120.1**
Gross	80.0	73.8
Impairment	(4.3)	(4.5)
Receivable from associates & joint ventures	**75.6**	**69.3**
Gross	163.5	138.2
Impairment	(9.4)	(7.5)
Other financial assets	**154.1**	**130.7**
Gross	480.3	484.4
Impairment	(36.9)	(36.4)
Total other non-current financial assets, net	**443.4**	**448.0**

Change in other non-current financial assets is presented within "Cash flow resulting from other financial assets" in the consolidated statement of cash flows.

Investments in non-consolidated companies

"Investments in non-consolidated companies" mainly relate to various participations individually not significant.

Loans and receivables from associates and joint ventures

"Loans" and "receivables from associates and joint ventures" mainly relate to funds borrowed by certain terminal joint ventures.

Deposits

"Deposits" mainly correspond to USD 90.6 million as at June 30, 2019 (USD 120 million as at December 31, 2018) of cash deposits which do not qualify as cash and cash equivalents.

Other financial assets

As at June 30, 2019, "Other financial assets" mainly include USD 154.1 million (USD 130.7 million as at December 31, 2018) of financial tax benefit to be received at the maturity of the tax financing period.

6.2.2 Securities and other current financial assets

"Securities and other current financial assets" as at June 30, 2019 include securities at fair value for an amount of USD 40.9 million (USD 35.3 million as at December 31, 2018).

As part of the freight securitization program, an amount of USD 121.8 million is deposited as a collateral of the amount drawn under the facility.

Apart from the above, other current financial assets mainly include (i) the current portion of the financial assets, (ii) cash held in escrow in the context of the Kingston terminal project (proceeds from financing still to be used in the construction project), (iii) as well as certain cash deposits which do not qualify as cash and cash equivalents since their inception.

6.3 Cash and cash equivalents, and liquidity

6.3.1 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

	As at June 30, 2019	As at December 31, 2018
Cash on hand	1,053.3	727.8
Short term deposits	261.5	627.4
Restricted cash	57.1	46.7
Cash and cash equivalents as per statement of financial position	**1,372.0**	**1,401.9**
Bank overdrafts	(125.9)	(87.1)
Cash and cash equivalents and bank overdraft	**1,246.1**	**1,314.8**
Cash reported in assets held-for-sale	**-**	**-**
Cash and cash equivalents and bank overdrafts, as per cash flow statement	**1,246.1**	**1,314.8**

6.3.2 Undrawn committed credit facilities and liquidity position

As at June 30, 2019, the Group has access to undrawn committed credit facilities amounting to USD 283.8 million (USD 622.1 million as at December 31, 2018) granted by various financial institutions, of which the average maturity is around 1.8 years ranging from less than one year to 4.1 years.

Together with the above-mentioned "cash and cash equivalents and bank overdraft" line item, excluding restricted cash and including securities disclosed in Note 6.2.2, the total liquidity of the Group amounts to USD 1,513.7 million as of June 30, 2019 (USD 1,925.6 million as December 31, 2018). As at June 30, 2019, CEVA contributes to cash and cash equivalents and liquidity position for USD 236.4 million and USD 284.6 million, respectively.

6.4 Borrowings and lease liabilities

6.4.1 Maturity schedule, variations and detail of borrowings and lease liabilities

Borrowings and lease liabilities are presented below and include bank overdrafts, long-term bank borrowings, lease liabilities (including ex finance leases and similar arrangements) and have the following maturities:

	As at June 30, 2019	Current portion	Non current portion	Maturity schedule : June 30,				
				2021	2022	2023	2024	Onwards
Senior notes	**3 220,8**	**317,5**	**2 903,3**	1 228,1	(14,5)	734,0	102,7	853,1
Bonds and preferred shares redeemable in shares	**31,9**	**23,3**	**8,6**	8,6	-	-	-	-
Bank borrowings	**5 542,8**	**1 542,1**	**4 000,7**	748,7	425,1	531,6	732,5	1 562,6
Lease liabilities under IFRS16	**8 979,8**	**1 865,8**	**7 114,1**	1 588,8	1 290,1	1 100,5	958,3	2 176,3
Bank overdrafts	**125,9**	**125,9**	**-**	-	-	-	-	-
Securitization programs	**1 864,8**	**162,2**	**1 702,5**	549,1	1 153,5	-	-	-
Other borrowings	**255,2**	**246,0**	**9,2**	1,3	0,6	6,1	0,5	0,7
Total	**20 021,2**	**4 282,9**	**15 738,3**	4 124,6	2 854,7	2 372,3	1 794,0	4 592,7

Leases previously treated under finance leases are now included within "Lease liabilities under IFRS16".

Current portion of borrowings and lease liabilities include items that are mostly refinanced as at June 30, 2019:

- USD 341.9 million of Senior Notes issued by CEVA, for which a tender offer was issued in May 2019, resulting in the repayment and then the cancellation of 100% of the notes in July 2019, financed through a one year bridge to bond facility, the refinancing of which being guaranteed by banks until August 2025 (see Note 8.3);
- A bridge acquisition facility amounting to USD 725.0 million put in place to finance the acquisition of CEVA, for which the Group (i) has the ability to extend the maturity until September 2020 and for which the Group is currently working on refinancing operations; the first refinancing operation consisted in a sale and leaseback transactions of 4 vessels over 8 years, has been closed in June for USD 249.4 million, and permitted the refinancing of a portion of the acquisition facility in July (see Note 8.3). Such sale-and-leaseback transactions have not been recognized as a sale to the lessor in accordance with IFRS 15 criteria because of the absence of commercial substance (repurchase options reasonably certain to be exercised). Therefore and in accordance with IFRS 16, these transactions assimilated to financing operations have resulted in the recognition of a financial liability treated under IFRS 9.

Variations in borrowings and lease liabilities can be analyzed as follows:

	Senior notes	Bonds and preferred shares redeemable in shares	Bank borrowings	Lease liabilities under IFRS16 (*)	Bank overdrafts	Securitization programs	Other borrowings	Total
Balance as at January 1, 2019 (*)	**2,943.7**	**31.9**	**3,487.0**	**763.6**	**87.1**	**1,682.5**	**184.8**	**9,180.5**
Proceeds from new borrowings, net of issuance costs	-	-	2,039.1	-	-	16.9	209.2	2,265.2
IFRS 16 first time application (see Note 2.2.1)	-	-	(250.5)	7,166.6	-	-	-	6,916.1
Repayment of financial borrowings	(61.4)	-	(892.5)	(1,230.8)	-	(22.8)	(168.3)	(2,375.8)
Other increase/decrease in borrowings and lease liabilities	8.4	-	177.8	739.5	17.9	(0.3)	(0.5)	942.8
Accrued interests and fees amortization	3.1	-	8.9	328.8	-	0.1	10.4	351.4
Acquisition of subsidiaries (see Note 3.1)	339.5	-	970.7	1,217.7	22.1	192.5	10.2	2,752.7
Foreign currency translation adjustments	(12.6)	-	2.4	(5.6)	(1.2)	(4.1)	9.5	(11.7)
Balance as at June 30, 2019	**3,220.8**	**31.9**	**5,542.8**	**8,979.8**	**125.9**	**1,864.8**	**255.2**	**20,021.2**

** Opening balance of finance leases under IAS 17 presented as lease liabilities*

As part of IFRS 16 first time application, Management reclassified some leases that were treated as bank borrowings under the previous standard IAS 17 and SIC 27.

The line item "Other increase / decrease in borrowings and lease liabilities" mainly corresponds to variation in borrowings and lease liabilities which did not have any cash impact for the Group either because (i) the asset is financed through obligation under IFRS 16, (ii) the drawdown was directly made to the benefit of the shipyard or (iii) variation in overdraft has an opposite impact in cash and cash equivalents.

Borrowings and lease liabilities relate to the following assets and their respective average interest rates are as follows:

	Senior notes	Bonds and preferred shares redeemable in shares	Bank borrowings	Lease liabilities under IFRS16	Other borrowings, securitization and overdrafts	Average Interest rate after hedging, amortized cost and "PPA"
Vessels	-	-	2,640.6	4,827.7	-	6.93%
Containers	-	-	2.2	2,562.2	-	10.30%
Land and buildings	-	-	108.5	1,328.7	-	5.55%
Terminal concession	-	-	245.7	230.3	-	9.10%
Other tangible assets	-	-	7.1	31.0	-	7.12%
General corporate purposes	3,220.8	31.9	2,538.7	-	2,245.8	5.02%
Total	**3,220.8**	**31.9**	**5,542.8**	**8,979.8**	**2,245.8**	

6.4.2 Details of Senior Notes

As at June 30, 2019, the Group has 7 unsecured Senior Notes outstanding which can be detailed as follows:

- SGD 280 million of nominal amount, issued by NOL Limited and maturing in September 2020;
- EUR 725 million of nominal amount, issued by CMA CGM and maturing in January 2021;
- SGD 300 million of nominal amount, issued by NOL Limited and maturing in June 2021;
- EUR 650 million of nominal amount, issued by CMA CGM and maturing in July 2022;
- USD 116.5 million of nominal amount, originally issued by APL Limited and transferred to APL Investments America as part of GGS disposal, and maturing in January 2024;
- EUR 750 million of nominal amount, issued by CMA CGM and maturing in January 2025.
- EUR 300 million of nominal amount issued by CEVA and maturing in August 2025 (see 6.4.1).

The EUR 60 million Senior Notes issued by CONTAINERSHIPS and maturing in November 2021 has been early repaid during the period, and the Group is actively working on its refinancing.

6.4.3 Acquisition of subsidiaries (CEVA borrowings and lease liabilities)

CEVA and subsidiaries' main borrowings are as follows:

- EUR 300 million nominal amount Senior Note (see 6.4.1 and 8.3 for its refinancing);
- USD 475 million Term Loan B
- USD 585 million revolving credit facility;
- USD 1,187 million of lease liabilities.

Some of these financing was subject to early redemption as a consequence of the change of control and hence the Company negotiated a backstop facility amounting to USD 825 million whose objective is to refinance the borrowings should the change of control clause be exercised.

On 24 April 2019, CEVA prepaid the outstanding principal balance of its existing term loan B in the amount of USD 473 million and issued a new term loan B in the amount of USD 475 million under the above-mentioned backstop, maturing August 3, 2025.

On May 10, 2019, CEVA issued a Tender Offer for the full amount of its 5.25% Senior Notes at a price of 101% plus accrued interest which have been paid at the settlement date which occurred in July (see Note 8.3 for the refinancing conditions of this settlement).

6.4.4 Securitization program

During the six-month period ended June 30, 2019, the securitization programs decreased by USD 5.9 million.

6.4.5 Bonds and preferred shares redeemable in shares

The balance of the bonds and preferred shares as at June 30, 2019 represents the interest portion of interests payable till maturity, as a remuneration of the bonds redeemable in shares held by BPI France.

As a consequence of the interests payments on bonds and preferred shares redeemable in ordinary 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 corresponding to the interest portion initially recorded in borrowings.

6.4.6 Other borrowings

As at June 30, 2019, other borrowings include USD 121.6 million of accrued interests (USD 102.8 million as at December 31, 2018).

6.5 Cash flow from financing activities

Cash flow from financing activities amounts to USD (385.8) million for the six-month period ended June 30, 2019. The financing cash flows mainly consisted in drawdown of borrowings for USD 2,321.5 million, balanced by the repayment of borrowings for USD (1,144.7) million, the payment of financial interests for USD (252.0) million and cash payments related to IFRS 16 leases : principal portion of leases for USD (880.2) million and interests portion for USD (354.0) million.

Cash flow from financing activities has been negatively impacted by IFRS 16 application as lease payments are now regarded as financing cash flows while it used to be reported as operating cash flows under IAS 17. The bridge from the previous to the new presentation can be presented as follows based on the six-month period ended June 30, 2019:

	For the three-month period ended June 30, 2019				For the six-month period ended June 30, 2019			
in USD million	**Published**	**Lease payments CMA standalone**	**Lease payments CEVA**	**Restated from leases payments**	**Published**	**Lease payments CMA standalone**	**Lease payments CEVA**	**Restated from leases payments**
Cash-flow from operations	811.1	541.9	100.8	168.4	1,525.8	1,032.9	201.4	291.5
Cash-flow from investing	(1,239.9)	-	-	(1,239.9)	(1,192.4)	-	-	(1,192.4)
Free cash-flows	**(428.8)**	**541.9**	**100.8**	**(1,071.5)**	**333.4**	**1,032.9**	**201.4**	**(900.9)**
Cash-flow from financing & FOREX	19.7	(541.9)	(100.8)	662.4	(402.1)	(1,032.9)	(201.4)	832.2
Changes in cash and cash equivalents	**(409.1)**	**-**	**-**	**(409.1)**	**(68.7)**	**-**	**-**	**(68.7)**

Note 7 - Scope of consolidation

The list of main companies or subgroups included in the consolidation scope has been disclosed in Note 7.4 of the 2018 annual CFS. CEVA acquisition largely extended the consolidation scope during the period. The list of subsidiaries of CEVA is publicly available in CEVA's 2018 financial statements.

7.1 Investments in associates and joint ventures

Investments in associates and joint ventures can be analyzed as follows:

	As at June 30, 2019	**As at December 31, 2018**
Beginning of the year	**1,478.9**	**1,049.0**
Acquisition of subsidiaries (see Note 3.1)	345.0	23.7
Impact of IFRS16 application	(13.0)	-
Transfer of carrying value of newly controlled entities	(547.4)	-
Fair value of the previously held equity	96.5	-
New investments in associates and joint ventures	-	535.5
Capital increase / decrease	-	5.0
Share of (loss) / profit	16.2	(88.2)
Dividend paid or payable to the Company	(8.2)	(23.1)
Other comprehensive income / (expense)	4.1	(23.0)
Reclassification from / to other items	0.2	(1.3)
Other	0.0	1.1
At the end of the year	**1,372.2**	**1,478.9**

The line item "Share of (loss) / profit" corresponds to the Company's share in the profit or loss of its associates and joint ventures, which includes impairment losses recognized by associates and joint ventures where applicable.

The change of control in CEVA as of January 4, 2019 resulted in the revaluation of the pre-existing ownership in CEVA at fair value for an amount of USD 96.6 million presented in "Fair value of the previously held equity interest", and the derecognition of this investment for USD 547.4 million presented in line item "Transfer of carrying value of newly controlled entities".

The line item "Acquisition of subsidiaries" mainly corresponds to the contribution of Anji CEVA for USD 345.0 million. CEVA has an investment totalling USD 104.0 million as at 30 June 2019 as at 31 March 2019, being a 50% interest in ANJICEVA Logistics Co. Ltd ("Anji-CEVA"), a Chinese joint-venture. As part of the purchase price allocation, the fair value of this investment has been revalued at USD 345.0 million.
Anji-CEVA principally engages in contract logistics activities, including warehousing, distribution, transportation, domestic freight, technical consulting and training. For the six months ended 30 June 2019, CEVA's share in Anji-CEVA's net result was USD 5 million. Summarized financial statements of Anji-CEVA is publicly available in CEVA's 2018 financial statements.

As at June 30, 2019, the main contributors to investments in associates and joint ventures are as follows:
- 51% of Terminal Link Group for USD 421.7 million (USD 416.2 million as at December 31, 2018);
- 50% of Anji CEVA for USD 345.0 million
- 30% of Rotterdam World Gateway ("RWG") for USD 173.9 million (USD 188.6 million as at December 31, 2018);
- 49% of CPLT for USD 118.6 million (USD 115.8 million as at December 31, 2018);
- 13.3% of Global Ship Lease for USD 43.9 million (USD 43.8 million as at December 31, 2018). The fair value of Global Ship Lease quoted shares, at the Company's share, amounts to approx. USD 22.5 million as at June 30, 2019 (USD 15.1 million as at December 31, 2018).

No impairment charge was recognized in the six-month period ended June 30, 2019.

7.2 Related party transactions

Except below disclosure, no new significant transaction has been entered into with related parties compared to the information disclosed in Note 7.5 of the 2018 annual CFS.
In particular, CEVA does not report on-going significant related party transactions, except the following:
- The total expense for share options granted to key management personnel for the six months ended June 30, 2019 was USD 4 million;
- Some transactions in relation to a contingent liability (see Note 8.1.3).

Note 8 - Other Notes

8.1 Provisions, employee benefits and contingent liabilities

Provisions can be analyzed as follows:

	Litigation	Other risks and obligations	Provisions	of which non current portion	of which current portion	Employee benefits	of which non current portion	of which current portion
As at January 1, 2018	**139.8**	**263.7**	**403.5**	*326.6*	*76.9*	**190.2**	*188.0*	*2.2*
Additions for the period	42.9	30.9	**73.8**			**21.6**		
Reversals during the period (unused)	(28.9)	(5.1)	**(34.0)**			**(2.3)**		
Reversals during the period (used)	(6.7)	(39.6)	**(46.3)**			**(19.3)**		
Disposal of subsidiaries	-	-	**-**			**(4.2)**		
Reclassification	(0.2)	0.2	**(0.0)**			**(1.3)**		
Acquisition of subsidiaries	-	18.6	**18.6**			**-**		
Actuarial (gain) / loss recognized in the OCI	-	-	**-**			**3.8**		
Foreign currency translation adjustment	(1.8)	(9.0)	**(10.8)**			**(3.8)**		
As at December 31, 2018	**145.2**	**259.5**	**404.7**	*332.7*	*72.0*	**184.6**	*182.4*	*2.2*
Additions for the period	15.1	55.1	**70.2**			**16.5**		
Reversals during the period (unused)	(2.0)	(0.1)	**(2.2)**			**(0.1)**		
Reversals during the period (used)	(54.4)	(48.5)	**(102.9)**			**(13.1)**		
Impact of IFRS16 application	-	4.2	**4.2**			**-**		
Reclassification	7.6	(0.9)	**6.8**			**(0.2)**		
Acquisition of subsidiaries	58.9	142.3	**201.2**			**96.8**		
Actuarial (gain) / loss recognized in the OCI	-	-	**-**			**26.1**		
Foreign currency translation adjustment	(0.7)	(0.6)	**(1.3)**			**(1.0)**		
As at June 30, 2019	**169.8**	**411.0**	**580.8**	*440.3*	*140.5*	**309.7**	*307.3*	*2.4*

8.1.1 Provisions for litigation and other risks and obligations

Litigation

Provisions for litigation as at June 30, 2019 corresponds to cargo related and other claims incurred in the normal course of business, including for CEVA (same as at December 31, 2018). None of these claims taken individually represents a significant amount. While the outcome of these legal proceedings is uncertain, the Company believes that it has provided for all probable and estimable liabilities arising from the normal course of business, and CEVA therefore does not expect any un-provisioned liability arising from any of these legal proceedings to have a material impact on the results of operations, liquidity, capital resources or the statement of financial position.

Other risks and obligations

Provisions for other risks and obligations mainly include (i) 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 and (ii) provisions related to onerous contracts identified as part of the NOL acquisition. The CMHI provision amounts to USD 117.1 million (USD 116.8 million as at December 31, 2018), down by USD 1.5 million mainly due to FOREX impacts, and is based on the estimated level of Terminal Link dividend distribution capacity, which may require a certain level of judgement.

In the context of IFRS 16 application, Management relied on previous assessments on whether leases are onerous. Hence, the provision for onerous lease contract that was recorded with respect to a specific lease in the United States has been reclassified as a decrease of the corresponding right-of-use asset.

As mentioned in note 2.2.1 regarding the first-time application of IFRS 16, a provision for dismantling costs has been measured and recognized in accordance with IAS 37, in order to reflect obligations liable to the lessee in certain container lease contracts to restore the leased asset before redelivering it to the lessor.

8.1.2 Provisions related to employee benefits

The detailed disclosures related to provision for employee benefits have been presented in Note 8.1.2 of the 2018 annual CFS. There has been no significant change applied in the interim condensed CFS.

8.1.3 Contingent liabilities

The Group is involved in a number of legal and tax disputes in certain countries, including but not limited to alleged breaches of competition rules. Some of these may involve significant amounts, the outcome of which being subject to a high level of uncertainty, that cannot be accurately quantified at the closing date.

As far as CEVA is concerned, it has been and is currently subject to numerous labour and employment proceedings and disputes in both Italy and Brazil alleging various causes of action and raising other legal challenges to CEVA's labour and employment practices. Besides, CEVA is also involved in tax audits and tax proceedings in various jurisdictions relating to the normal conduct of its business. While the outcome of these audits and proceedings is uncertain and can involve material amounts, in the reasonable judgement of CEVA a liability for uncertain income tax treatments has been booked, and CEVA therefore does not expect any liability arising from these audits to have a material impact on its results.

In all cases, the Group fully cooperates with the authorities.

CIL Related Proceedings (CEVA)

CIL Limited (formerly CEVA Investments Limited), the former parent of CEVA Group Plc, is involved in a consensually filed liquidation proceeding in the Cayman Islands and an involuntary Chapter 7 proceeding in the Bankruptcy Court for the Southern District of New York. The Trustee in the Chapter 7 proceeding filed a claim against CIL Limited's former directors, CEVA Group Plc, and affiliated entities relating mostly to CEVA's recapitalization in 2013. In 2015 the defendants filed motions to dismiss certain of the claims asserted by the Trustee, and in January 2018, the Bankruptcy Court issued an order granting in part and denying in part the defendants' motions including dismissing the disputed payable claim against one of the defendants for lack of personal jurisdiction. In July 2018, the Trustee filed an amended complaint as well as a new action in the Netherlands related to the disputed payable claim against the entity that had been dismissed from the Bankruptcy Court action, and other CEVA-affiliated entities. The defendants and the Trustee have filed motions for summary judgment in the Bankruptcy Court action which have been fully briefed. The Company cannot provide assurances regarding the outcome of this matter and it is possible that if the Trustee were to prevail on his claims, the Company could incur a material loss in connection with this matter, including the payment of substantial damages and/or the unwinding of the recapitalization in 2013. However, the Company believes the claims are without merit and intends to vigorously defend itself.

A former CEVA employee and CIL shareholder has asserted a putative class action against CEVA Group Plc, among others, in a U.S. District Court in the Middle District of Florida. Plaintiff claims that CEVA Group should have treated him differently in connection with the 2013 restructuring. In January 2019, CEVA Group filed a motion to dismiss which is pending. While CEVA cannot provide assurances with respect to the outcome of this matter and it is possible that CEVA could incur a material loss, CEVA intends to vigorously defend itself.

At June 30, 2019, the Group (through CEVA) reports a net payable to CIL Limited, amounting to US$14 million. This mainly relates to intercompany cash pooling arrangements and is included within trade and other payables in the Consolidated Statement of Financial Position.

8.2 Commitments

Apart from the information disclosed below and elsewhere in these interim condensed CFS, no new significant commitment has been entered into since the information disclosed in the 2018 annual CFS.

Regarding CEVA, it provides guarantees in the normal course of our business to various customs authorities, landlords, suppliers and insurance underwriters.
The Revolving Credit Facility and the TLB Facility (the "New Senior Secured Facilities") and the 5.25% Senior Notes are unconditionally guaranteed by CEVA Logistics AG, each borrower thereunder and certain of CEVA Logistics AG's direct and indirect material subsidiaries. All obligations under the New Senior Secured Facilities

and the 5.25% Senior Notes and the guarantees of those obligations are (subject to the agreed security principles) secured on a first-priority basis by charges over (i) shares held in the obligors under the New Senior Secured Facilities and the 5.25% Senior Notes (excluding shares in CEVA Logistics AG); (ii) certain bank accounts of, and intra-group receivables due to, the obligors; and (iii) in the case of the obligors incorporated in the United States of America, substantially all of the other property and assets to the extent a security interest is able to be granted or perfected therein.

As at June 30, 2019, guarantees issued on behalf of CEVA's subsidiaries in the ordinary course of business in connection with lease agreements, customs duty deferment and local credit lines amounted to USD 173 million but were undrawn. The remaining amount available under the guarantee facilities was USD 19 million. The obligations under the guarantees issued by banks and other financial institutions have been secured by CEVA and certain of its subsidiaries.

8.3 Significant subsequent events

CEVA financing

On 10 May 2019 CEVA issued a Tender Offer for the full amount of its 5.25% Senior Notes at a price of 101% plus accrued interest to the settlement date. EUR 284,086,000 of 5.25% Senior Notes were tendered (94.7% of the total) and were settled and cancelled on 9 July 2019. On the same date, CEVA issued a notice to the Agent that the remaining Notes not tendered would be repaid and cancelled on 22 July 2019 at a price of 101% plus accrued interest.

On 5 July 2019 CEVA entered into a bridge facility provided by three banks, which was subsequently drawn on 9 July 2019 to fund the Tender Offer of the 5.25% Senior Notes. It carries an initial margin of 4.25% and the initial maturity is 12 months. In the event that the Bridge Facility is not refinanced within 12 months, the borrowing will be converted into term loans with a maturity no earlier than 3 August 2025.

USD 725 million CEVA acquisition facility refinancing

The first refinancing operation consisted in sale-and-leaseback transactions of 4 vessels over 8 years, has been closed in June for USD 249.4 million (see Note 4.6.1). Other similar operations concerning 4 vessels have been closed in July and allowed the partial repayment of the acquisition facility for a cumulated amount of approximately USD 500 million.

Other transactions are ongoing and the objective is to refinance the bulk of the facility by year-end.