CMA CGM

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

* *
*

Nine and three-month periods ended September 30, 2017

Deloitte & Associés
Les Docks - Atrium 10.4
10 place de la Joliette
13002 Marseille

KPMG Audit
Division of KPMG S.A
480 avenue du Prado
13008 Marseille

CMA CGM S.A.

Société Anonyme

4 quai d'Arenc
13002 Marseille

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

Period from January 1, 2017 to September 30, 2017

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, 2017 to September 30, 2017.

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

We conducted our review in accordance with professional standards applicable in France. A review primarily consists of making inquiries of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Those procedures are substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently the assurance obtained that the interim condensed consolidated financial statements, taken as a whole, are free of material misstatement is moderate and less than that obtained by an audit.

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

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

Marseille, France

November 24, 2017

The Statutory Auditors

Deloitte & Associés

Vincent Gros
Partner

KPMG Audit
A Division of KPMG S.A.

Georges Maregiano
Partner

Contents

Interim Condensed Consolidated Statement of Profit & Loss

(in USD million, except for earnings per share)

	Note	For the nine-month period ended September 30,		For the three-month period ended September 30,	
		2017	2016	2017	2016
REVENUE	4.1	15,632.8	11,403.6	5,701.5	4,466.1
Operating expenses	4.2	(13,932.1)	(11,213.1)	(4,994.7)	(4,394.3)
EBITDA BEFORE GAINS / (LOSSES) ON DISPOSAL OF PROPERTY AND EQUIPMENT AND SUBSIDIARIES		**1,700.7**	**190.4**	**706.8**	**71.8**
Gains / (losses) on disposal of property and equipment and subsidiaries	4.3	6.9	20.3	(3.9)	15.1
Depreciation and amortization of non-current assets	5.2.1	(462.5)	(397.6)	(158.6)	(170.7)
Other income and (expenses)	4.4	(8.5)	(39.1)	(5.7)	(22.8)
Net present value (NPV) benefits related to assets financed by tax leases		35.0	34.1	12.0	10.9
EBIT BEFORE SHARE OF INCOME / (LOSS) FROM ASSOCIATES AND JOINT VENTURES		**1,271.6**	**(191.9)**	**550.6**	**(95.8)**
Share of income / (loss) from associates and joint ventures	7.1	19.1	(3.8)	7.8	(11.3)
EBIT	4.1	**1,290.7**	**(195.7)**	**558.4**	**(107.1)**
CORE EBIT	4.1	**1,292.3**	**(163.7)**	**568.0**	**(86.2)**
Interests expense on borrowings		(356.5)	(289.3)	(122.0)	(150.4)
Interests income on cash and cash equivalent		24.0	21.1	9.7	8.1
Other net financial items		(258.0)	39.9	(95.4)	(2.9)
FINANCIAL RESULT	4.5	**(590.5)**	**(228.2)**	**(207.7)**	**(145.2)**
PROFIT / (LOSS) BEFORE TAX		**700.1**	**(423.9)**	**350.7**	**(252.3)**
Income taxes	4.6.1	(48.2)	(52.3)	(18.7)	(6.6)
PROFIT / (LOSS) FOR THE PERIOD		**651.9**	**(476.3)**	**332.0**	**(258.9)**
of which:					
Non-controlling interests		23.0	20.5	8.7	9.4
OWNERS OF THE PARENT COMPANY		**628.9**	**(496.8)**	**323.3**	**(268.3)**
Basic and diluted Earnings Per Share (EPS) attributable to owners of the parent company (in USD)		*41.6*	*(32.9)*	*21.4*	*(17.8)*

Interim Condensed Consolidated Statement of Comprehensive Income

(in USD million)

	Note	For the nine-month period ended September 30,		For the three-month period ended September 30,	
		2017	**2016**	**2017**	**2016**
PROFIT / (LOSS) FOR THE PERIOD		**651.9**	**(476.3)**	**332.0**	**(258.9)**
Other comprehensive income / (loss) reclassifiable to Profit and Loss					
Cash flow hedges:					
Gains / (losses) arising during the period		3.2	21.6	3.7	22.8
Recycling to the income statement		1.6	1.6	0.5	0.5
				-	-
Currency translation adjustment related to foreign subsidiaries		45.3	(32.1)	15.2	(9.4)
Share of other comprehensive income of associates and joint ventures		34.4	-	10.6	-
Tax on other comprehensive income reclassifiable to Profit and Loss		(21.9)	-	(21.7)	-
Other comprehensive income / (loss) non reclassifiable to Profit and Loss					
Remeasurment of defined benefit pension plans	8.1	(4.2)	(13.0)	(5.8)	0.0
Remeasurement of defined benefit pension plans of associates and joint ventures		(0.2)	-	(0.2)	-
Tax on other comprehensive income non reclassifiable to Profit and Loss		-	0.1	-	(0.2)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD, NET OF TAX		**58.3**	**(21.7)**	**2.3**	**13.7**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD, NET OF TAX		**710.1**	**(498.0)**	**334.3**	**(245.2)**
of which:					
Non-controlling interests		25.0	21.8	8.6	9.0
Owners of the parent company		685.1	(519.8)	325.7	(254.2)

Interim Condensed Consolidated Statement of Financial Position - Assets

(in USD million)

	Note	As at September 30, 2017	As at December 31, 2016
Goodwill	5.1.1	974.5	1,007.9
Other intangible assets	5.1.2	1,121.1	1,083.3
INTANGIBLE ASSETS		**2,095.6**	**2,091.1**
Vessels	5.2.1	8,408.8	8,087.3
Containers	5.2.1	579.3	470.4
Lands and buildings	5.2.1	496.6	479.7
Other properties and equipments	5.2.1	364.8	311.8
PROPERTY AND EQUIPMENT	5.2.1	**9,849.5**	**9,349.2**
Deferred tax assets	4.6.2	43.8	59.4
Investments in associates and joint ventures	7.1	1,007.4	900.2
Derivative financial instruments	6.1	1.6	0.1
Other financial assets	6.2.1	573.9	550.0
NON-CURRENT ASSETS		**13,571.8**	**12,950.0**
Inventories	5.3.1	440.7	347.6
Trade and other receivables	5.3.2	2,782.9	2,619.5
Income tax asset	5.3.2	28.3	16.2
Derivative financial instruments	6.1	0.8	0.0
Securities and other financial assets	6.2.2	169.0	304.8
Cash and cash equivalents	6.3.1	1,488.6	1,211.6
Prepaid expenses	5.3.2 & 5.3.3	398.5	369.0
Assets classified as held-for-sale	5.4	831.0	837.8
CURRENT ASSETS		**6,139.9**	**5,706.4**
TOTAL ASSETS		**19,711.7**	**18,656.4**

Interim Condensed Consolidated Statement of Financial Position - Liabilities & Equity

(in USD million)

	Note	As at September 30, 2017	As at December 31, 2016
Share capital		234.7	234.7
Reserves and retained earnings		4,673.8	5,075.5
Profit / (Loss) for the period attributable to owners of the parent company		628.9	(452.2)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**5,537.5**	**4,858.1**
Non-controlling interests		74.9	69.5
TOTAL EQUITY		**5,612.4**	**4,927.6**
Borrowings	6.4	7,379.5	6,650.8
Derivative financial instruments	6.1	150.8	215.5
Deferred tax liabilities	4.6.2	70.7	116.2
Provisions	8.1	333.5	358.2
Employee benefits	8.1	201.9	180.4
Deferred income		162.3	198.8
NON-CURRENT LIABILITIES		**8,298.7**	**7,719.8**
Borrowings	6.4	1,531.2	1,627.4
Derivative financial instruments	6.1	23.0	72.5
Provisions	8.1	62.0	40.5
Employee benefits	8.1	2.4	2.2
Trade and other payables	5.3.2	3,281.9	3,459.5
Income tax liability	5.3.2	67.4	58.4
Deferred income	5.3.2 & 5.3.3	776.7	701.9
Liabilities associated with assets classified as held-for-sale	5.4	56.0	46.6
CURRENT LIABILITIES		**5,800.7**	**6,009.0**
TOTAL LIABILITIES & EQUITY		**19,711.7**	**18,656.4**

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 (*)	Bonds redeemable in shares (**)	Premium, legal reserves, Profit / (Loss) for the year 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, 2016	**234.7**	**56.5**	**5,214.4**	**(148.8)**	**5,356.8**	**48.7**	**5,405.5**
Profit / (Loss) for the period	-	-	(496.8)	-	**(496.8)**	20.5	**(476.3)**
Other comprehensive income / (expense), net of tax	-	-	(13.2)	(9.8)	**(23.0)**	1.3	**(21.7)**
Total comprehensive income / (expense) for the period	**-**	**-**	**(510.0)**	**(9.8)**	**(519.8)**	**21.8**	**(498.0)**
Acquisition of subsidiaries (***)	-	-	-	-	**-**	446.5	**446.5**
Transaction with non-controlling interests (***)	-	-	(5.7)	0.1	**(5.6)**	(426.0)	**(431.6)**
Dividends	-	-	-	-	**-**	(15.1)	**(15.1)**
Total transactions with Shareholders	**-**	**-**	**(5.7)**	**0.1**	**(5.6)**	**5.4**	**(0.2)**
Balance as at September 30, 2016	**234.7**	**56.5**	**4,698.8**	**(158.5)**	**4,831.4**	**75.9**	**4,907.3**
Balance as at January 1, 2017	**234.7**	**56.5**	**4,753.6**	**(186.7)**	**4,858.0**	**69.5**	**4,927.6**
Profit / (Loss) for the period	-	-	628.9	-	**628.9**	23.0	**651.9**
Other comprehensive income / (expense), net of tax	-	-	(26.0)	82.2	**56.2**	2.1	**58.3**
Total comprehensive income / (expense) for the period	**-**	**-**	**602.9**	**82.2**	**685.1**	**25.0**	**710.1**
Transaction with non-controlling interests	-	-	(5.2)	(0.6)	**(5.7)**	(2.3)	**(8.0)**
Dividends	-	-	-	-	**-**	(17.3)	**(17.3)**
Total transactions with Shareholders	**-**	**-**	**(5.2)**	**(0.6)**	**(5.7)**	**(19.6)**	**(25.4)**
Balance as at September 30, 2017	**234.7**	**56.5**	**5,351.3**	**(105.0)**	**5,537.5**	**74.9**	**5,612.4**

(*) 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 preference 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.

(**) 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.

(***) "Acquisition of subsidiaries" and "transactions with non-controlling interests" for the nine-month period ended September 30, 2016 mainly related to NOL acquisition; while the acquisition date was on June 14, 2016, the acquisition of 100% of the shares had been completed in the third quarter of 2016.

Interim Condensed Consolidated Statement of Cash Flows

(in USD million)

	Note	For the nine-month period ended September 30,		For the three-month period ended September 30,	
		2017	2016	2017	2016
Profit / (Loss) for the period		**651.9**	**(476.3)**	**332.0**	**(258.9)**
Reconcilation of profit / (loss) for the period to cash generated from operations :					
- Depreciation and amortization	5.2.1	462.5	397.6	158.6	170.7
- Net present value (NPV) benefits related to assets financed by tax leases		(35.0)	(34.1)	(12.0)	(10.9)
- Other income and expense	4.4	8.5	39.1	5.7	22.8
- Increase / (Decrease) in provisions		8.4	(4.9)	5.6	(14.8)
- Loss / (Gains) on disposals of property and equipment and subsidiaries	4.3	(6.9)	(20.3)	3.9	(15.1)
- Share of (Income) / Loss from associates and joint ventures	7.1	(19.1)	3.8	(7.8)	11.3
- Interest expenses on net borrowings		352.6	292.1	122.8	154.0
- Income tax	4.6.1	48.2	52.3	18.7	6.6
- Other non cash items		88.7	(87.9)	36.3	(37.1)
Changes in working capital	5.3.2	**(292.4)**	**104.6**	**(129.7)**	**43.5**
Cash flow from operating activities before tax		**1,267.6**	**266.1**	**534.2**	**72.2**
- Income tax paid		(75.2)	(60.1)	(14.2)	(18.1)
Cash flow from operating activities net of tax		**1,192.3**	**206.0**	**520.0**	**54.1**
Purchases of intangible assets	5.2.1	(47.0)	(41.0)	(13.1)	(13.1)
Purchase of NOL, net of cash acquired and including transaction costs		-	(2,323.9)	-	(191.7)
Purchases / disposals of subsidiaries, net of cash acquired / divested	5.2.1	(11.2)	16.9	(3.0)	(2.7)
Purchases of property and equipment	5.2.1	(394.5)	(203.1)	(186.9)	(56.0)
Proceeds from disposal of property and equipment		97.6	645.3	7.8	562.9
Dividends received from associates and joint ventures	7.1	10.1	15.4	4.9	4.9
Cash flow resulting from other financial assets	6.2	132.3	543.1	110.7	(61.5)
Variation in securities		(23.1)	(9.3)	(23.3)	(4.0)
Net cash (used in) / provided by investing activities		**(235.8)**	**(1,356.6)**	**(102.8)**	**238.9**
Free Cash Flow	**5.5**	**956.5**	**(1,150.6)**	**417.1**	**293.0**
Dividends paid to the owners of the parent company and non-controlling interest		(13.0)	(13.3)	(4.2)	(2.1)
Proceeds from borrowings, net of issuance costs	6.4	1,278.9	2,244.9	488.0	473.2
Repayments of borrowings	6.4	(1,548.8)	(926.4)	(590.4)	(687.3)
Principal repayments on finance leases	6.4	(145.5)	(134.9)	(39.5)	(30.9)
Interest paid on net borrowings		(266.1)	(228.4)	(51.4)	(107.8)
Refinancing of assets, net of issuance costs	6.4	80.2	373.4	0.4	55.6
Other cash flow from financing activities		(95.5)	-	(4.9)	-
Net cash (used in) / provided by financing activities	**6.5**	**(709.7)**	**1,315.3**	**(202.1)**	**(299.3)**
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		13.8	(12.5)	4.1	(4.6)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**260.6**	**152.3**	**219.2**	**(10.9)**
Cash and cash equivalents and bank overdrafts at the beginning of the period		**1,133.9**	**1,050.9**		
Cash and cash equivalents as per balance sheet		1,488.6	1,262.6		
Cash reported in assets held-for-sale		4.6	-		
Bank overdrafts		(98.7)	(59.4)		
Cash and cash equivalents and bank overdrafts at the end of the period	6.3.1	**1,394.5**	**1,203.2**		
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		**260.6**	**152.3**		
Supplementary information: non cash investing or financing activities:					
- Assets acquired through finance lease or equivalents	5.2.1	*576.6*	*81.1*		
Supplementary information: Interest paid on net borrowings					
- Interests received		*23.0*	*14.8*		
- Interests paid		*(289.1)*	*(243.2)*		

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 nine and three-month periods ended September 30, 2017 were approved by the Board of Directors on November 24, 2017.

The Group is headquartered in France and is one of the largest container shipping company in the world. The Group operates primarily in the international containerized transportation of goods. Other activities mainly include container terminal operations and freight forwarding.

CMA CGM S.A. is a limited liability company ("Société Anonyme") incorporated and located in France. The address of its registered office is 4, Quai d'Arenc, 13002 Marseille, France.

Note 2 - General accounting principles

2.1 Basis of preparation

The interim condensed CFS of CMA CGM for the nine and three-month periods ended September 30, 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and under the historical cost basis, with the exception of available-for-sale financial assets, securities, 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 financial statements for the year ended December 31, 2016. 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 can be found at: www.ec.europa.eu/internal_market/accounting/ias/index_en.htm

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; 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. 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 financial statements for the year ended December 31, 2016, except as outlined in the paragraphs below.

2.2.1 Adoption of new and amended IFRS and IFRIC interpretations from January 1, 2017

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses; effective date January 1, 2017;
Amendments to IAS 7: Disclosure Initiative; effective date January 1, 2017

The adoption of these amendments did not have any impact on the Group financial statements.

2.2.2 New IFRS and IFRIC interpretations effective for the financial year beginning after January 1, 2017, endorsed by the European Union and not early adopted

The following new standards or amendments have been recently endorsed by the European Union with an effective date on January 1, 2018 or January 1, 2019. Refer to the 2016 annual CFS for the information regarding the main features of these new standard and the status of the Group's analysis on their impact on the Group's CFS.

IFRS 9: Financial instruments; effective date January 1, 2018;
IFRS 15 and amendments to IFRS 15: Revenue from contracts with customers; effective date January 1, 2018;

IFRS 16: Leases: ; adopted by the European Union on November 9, 2017; effective date January 1, 2019 with earlier application permitted;
Refer to the 2016 annual CFS for the information regarding the main features of this new standard and the status of the Group's analysis on its impact on the Group's CFS.

2.2.3 New IFRS and IFRIC interpretations effective for the financial year beginning on or after January 1, 2017 and not yet endorsed by the European Union

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

- *New IFRS and IFRIC interpretations effective for the financial year beginning on January 1, 2017 and not yet endorsed by the European Union*

IFRS 14: Regulatory Deferral Accounts
Annual improvements to IFRS 2014-2016

- *New IFRS and IFRIC interpretations effective for the financial year beginning after January 1, 2017 and not yet endorsed by the European Union*

Amendments to IAS 40: Transfer of Investment Property
Amendments to IFRS 2: Classification and Measurement of Share-based payments transactions
Amendments to IFRS 4: Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRIC 22: Foreign Currency Transactions and Advance Consideration
IFRIC 23: Uncertainty over Income Tax Treatments
IFRS 17: Insurance contracts

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 2016 annual CFS, have been described in the below mentionned notes of the annual CFS and are as follows:

- Judgments used for the purpose of the purchase price allocation of NOL (see Note 3.1.1 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);
- Classification of lease contracts between operating lease and finance lease (see Note 5.2 of the annual 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); and
- Judgements and estimates made in determining the risk related to cargo and corporate claims and related accounting provisions (see Note 8.1 of the annual CFS).

Note 3 - Business combinations and significant events

3.1 Business combinations

3.1.1 Neptune Orient Lines ("NOL")

Reminder of the completion of the purchase price allocation occurred in June 2017

The main estimates and principles used for the purpose of performing the purchase price allocation as well as the rationalization of the residual goodwill have been disclosed in Note 3.1.1 of the 2016 annual CFS.

As at December 31, 2016, the purchase price allocation resulted in the recognition of a preliminary goodwill of USD 739.8 million (of which USD 44.0 million reclassified in assets held for sale). The measurement period to adjust the purchase price allocation ended on June 13, 2017, one year after the acquisition date. Hence, the Group seeked to obtain the final information about facts and circumstances that existed as of the acquisition date, in order to finalize the purchase price allocation. It resulted in the recognition of a final goodwill of USD 705.9 million (of which USD 48.0 million presented in assets held for sale). The change, from December 31, 2016 to June 13, 2017, of the fair value for the assets acquired and the liabilities assumed, and the resulting goodwill, can be analyzed as follows:

A	**Preliminary goodwill as at December 31, 2016**	**739.8**
B	change in fair value of intangible assets	27.0
	change in fair value of property and equipment	(7.9)
	change in fair value of deferred taxes	27.7
	Change in fair value of other assets and liabilities	(12.9)
C = A (-) B	**Final goodwill**	**705.9**
	of which presented in assets held-for-sale	**48.0**

Due to the low magnitude of the changes applied to the preliminary figures, there has not been any restatement of the historical figures.

Hence, the final purchase price allocation to the assets acquired and the liabilities assumed can be presented as follows :

		(In USD million)
Total consideration transferred (for 100% stake in NOL)	**A**	**2,461.2**
Cash and cash equivalents of NOL at acquisition date	**B**	**160.6**
Cash consideration paid for 100% stake in NOL, net of cash acquired	**C = A (-) B**	**2,300.6**
Identifiable assets acquired		
Intangible assets		1,513.7
Vessels		2,896.0
Containers		582.8
Lands and buildings		38.8
Other property and equipment		173.5
Associates and joint ventures		194.0
Deferred tax assets		44.4
Other non current assets		63.4
Inventories		101.3
Working capital - assets		613.2
Other current assets		9.0
Liabilities assumed		
Non controlling interests		19.1
Non current borrowings		1,910.1
Non current derivatives		153.8
Deferred tax liabilities		38.2
Non current provisions		127.1
Onerous contracts		127.0
Other non current liabilities		129.0
Current provisions		29.5
Current borrowings		952.9
Current derivatives		28.7
Working capital - liabilities		1,112.9
Fair value of net assets acquired	**D**	**1,601.6**
Remeasurement of previously acquired shares treated as available for sale	**E**	**6.9**
Goodwill	**C (+) E (-) D**	**705.9**

As previously mentioned, the final goodwill has been allocated to terminal activities prensented in assets held-for-sale for an amount of USD 48.0 million and an additional amount of USD 11.0 million has been allocated to terminal activities, leaving USD 646.9 million allocated to container shipping activities.

Among others, this goodwill consists in the buyer-specific synergies expected as a result of the integration of NOL such as assembled workforce, additional value to customer relationships which have been excluded due to the application of the churn rate, as well as further potential terminal concession renewals not taken into account in the terminal concession rights recognized in intangible assets.

3.1.2 Assets held-for-sale

On June 30 2017, the Group signed an agreement with EQT Infrastructure and its partner P5 Infrastructure pursuant to which EQT Infrastructure will acquire a 90% interest in the Global Gateway South terminal in Los Angeles for an Enterprise Value of USD 875 million. Following the completion of the transaction, the Group will remain a minority shareholder holding 10% of the GGS terminal, which it acquired last year as part of NOL acquisition. Closing of the transaction is subject to some anti-trust and regulatory approvals and is expected to occur by the end of 2017.

The related assets and liabilities have been presented as assets held-for-sale since December 31, 2016 (see Note 5.4).

3.1.3 Binding agreement to acquire Mercosul Line

On June 13, 2017, the Group and Maersk Line announced that they have entered into a binding agreement whereby the Group would acquire Mercosul Line, one of the leading players in Brazil's domestic container shipping market. This acquisition would be made in the context of the Group's strategy, aiming at developing core shipping business, including among others on intra-regional trade lanes, as well as potential complementary services such as logistics.
The Mercosul acquisition is subject to the closing of Hamburg Süd acquisition by Maersk line and is expected around end 2017.

3.2 Shipping alliance

As disclosed in Note 3.1.2 of the annual CFS, on November 3, 2016, COSCO, OOCL, Evergreen and CMA CGM signed OCEAN Alliance agreements in Shanghai for a 10-year period. Such alliance will represent up to 18 million TEUs in total annual capacity, of which CMA CGM contributes to approximately 36%.
Ocean Alliance operations started on April 1, 2017.

Management decided to enhance the presentation of OCEAN Alliance transactions, based on IAS 18.12 which states that "when goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue". Hence, as OCEAN Alliance partners exchange services of similar nature (slots sales and purchases) and similar value (each partner of the alliance takes out from the alliance the equivalent allocation of what he puts in the alliance, at a similar price for both sales and purchases), Management decided to present the slot sales and purchases on a net basis. As a result, there is no more revenue recognized in the nine-month period ended September 30, 2017 in relation to Ocean Alliance slot sales. The three-month period ended September 30, 2017 has also been restated as if the same treatment had been applied in the six-month period ended June 30, 2017.

3.3 Terminal & Logistics development

3.3.1 Singapore terminal with Port of Singapore Authority ("PSA")

As mentionned in the 2016 audited CFS, as at June 15, 2016, CMA CGM and PSA Singapore Terminals established a joint venture company named CMA CGM – PSA LION TERMINAL PTE.ltd ("CPLT"), owned in proportions of 49% and 51% respectively, to lease and operate four container berths in the port of Singapore. While first phase operations in the terminal started in July 2016 with 2 berths, the operations have been extended in the nine-month period ended September 30, 2017 with two additional berths, representing an additional capital injection of USD 23.6 million for the Group (see Note 7.1).

3.3.2 Kribi Container Terminal

On August 31, 2015, the consortium formed by the French companies - CMA CGM and Bolloré - and the Chinese Group CHEC (China Harbour Engineering Company) won the bid process initiated by the Cameroonian government for the 25-year concession of the container terminal.
On July 25, 2017, the consortium was granted the funding and the operation of the Kribi Container Terminal, which they will manage for 25 years under a Public-Private partnership with the State of Cameroon. The Group has injected USD 25.3 million in this project.
The Company will exercice a joint control over this terminal; as a consequence, the funds injected by the Company for this terminal have been presented in investments in associates and joint-ventures (see Note 7.1).

3.4 Group fleet development

Order of 9 container ships of TEU 22,000

On September 15, 2017, the Board of Directors approved the order of 9 container ships of TEU 22,000. This order, which will be delivered during 2020 and 2021, will further reduce unit transport costs, particularly on the Asia-Europe routes, as well as on other trades impacted through the cascading of vessels throughout the whole fleet. The total amount of commitment related to this order amounts to approximately USD 1.5 billion, of which a minimum of 70% is expected to be financed through borrowings currently under discussion. On November 7, 2017, the Group announced its decision to equip its 9 future ships with engines using liquefied natural gas, which is an innovation never made before in the industry, and constitutes a firm commitment to the protection of the environment and to ocean conservation.

3.5 CMA CGM Group governance

On February 8, 2017, the Board of Directors appointed Rodolphe Saadé as Chief Executive Officer of the CMA CGM Group. Jacques R. Saadé remains Chairman of the Board of Directors.

Besides, CMA CGM recently modified the composition of its Board of Directors in order to comply with the "Copé Zimmermann" law.

Note 4 - Results for the period

4.1 Operating segments

The segment information for the reportable segments for nine and three-month periods ended September 30, 2017 and 2016 is as follows:

	Revenue		EBIT	
	For the nine-month period ended September 30,			
	2017	2016	2017	2016
Container shipping segment	15,107.7	10,926.4	1,260.6	(194.7)
Other activities	1,127.5	807.3	31.6	31.0
Total core measures	**16,235.2**	**11,733.7**	**1,292.3**	**(163.7)**
Reconciling items & Eliminations	(602.4)	(330.2)	(1.6)	(32.0)
Total consolidated measures	**15,632.8**	**11,403.6**	**1,290.7**	**(195.7)**

	Revenue		EBIT	
	For the three-month period ended September 30,			
	2017	2016	2017	2016
Container shipping segment	5,519.2	4,229.9	564.4	(98.0)
Other activities	394.3	387.0	3.6	11.7
Total core measures	**5,913.5**	**4,616.9**	**568.0**	**(86.2)**
Reconciling items & Eliminations	(212.0)	(150.8)	(9.6)	(20.9)
Total consolidated measures	**5,701.5**	**4,466.1**	**558.4**	**(107.1)**

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 – None in the nine-month period ended September 30, 2017 (see Note 7.1).

Since most of the Group's assets and liabilities are allocated to the container shipping segment and that this information is reviewed by the chief operating decision maker only on a consolidated basis, 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 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.

4.2 Operating expenses

Operating expenses are analyzed as follows:

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2017	2016	2017	2016
Bunkers and consumables	(1,842.0)	(1,177.0)	(631.5)	(502.3)
Chartering and slot purchases	(1,503.2)	(1,491.0)	(498.8)	(499.7)
Handling and steevedoring	(4,089.7)	(3,235.6)	(1,517.2)	(1,302.7)
Inland and feeder transportation	(2,177.3)	(1,576.4)	(838.2)	(637.5)
Port and canal	(980.9)	(911.8)	(373.2)	(336.2)
Container rentals and other logistic expenses	(1,290.4)	(1,064.8)	(453.9)	(417.6)
Employee benefits	(1,260.2)	(1,059.0)	(427.9)	(409.7)
General and administrative other than employee benefits	(557.7)	(515.6)	(179.8)	(225.1)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	8.2	0.3	(1.0)	7.7
Operating exchange gains / (losses), net	73.8	(2.9)	28.9	6.3
Others	(312.7)	(179.4)	(102.3)	(77.4)
Operating expenses	**(13,932.1)**	**(11,213.1)**	**(4,994.7)**	**(4,394.3)**

The overall increase of year-to-date operating expenses is due to the NOL acquisition, fully reflected in the nine-month period ended September 30, 2017 while only contributing from June 14, 2016 to September 30, 2016.
However, the three-month period ended September 30, 2017 and 2016 are comparable with regards to NOL acquisition. The increase of the third quarter operating expenses is mainly due to the rise of bunker prices and an increase of volumes carried.

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 nine-month period ended September 30,		For the three-month period ended September 30,	
	2017	2016	2017	2016
Disposal of vessels	6.3	(0.1)	(0.0)	(0.1)
Disposal of containers	4.4	17.8	1.9	12.3
Other fixed assets disposal	(0.0)	0.3	(0.2)	1.1
Disposal of subsidiaries	(3.7)	2.2	(5.6)	1.7
Gains / (losses) on disposal of property and equipment and subsidiaries	**6.9**	**20.3**	**(3.9)**	**15.1**

4.4 Other income and (expenses)

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

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2017	2016	2017	2016
Impairment (losses) / reversals of assets	(8.1)	(12.3)	(8.0)	(8.5)
Others	(0.4)	(26.8)	2.3	(14.3)
Other income and (expenses)	**(8.5)**	**(39.1)**	**(5.7)**	**(22.8)**

In 2017:

- the line item "Impairment losses of assets" mainly relates to impairment of vessels that will be sold for scrapping;

In 2016:

- the line item "Impairment losses of assets" related to impairment of vessels;
- the line item "Others" mainly corresponded to the advisory and consultancy fees incurred as part of the NOL acquisition.

4.5 Financial result

The financial result is analyzed as follows:

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2017	2016	2017	2016
Interest expense on borrowings	(356.5)	(289.3)	(122.0)	(150.4)
Interests income on cash and cash equivalents	24.0	21.1	9.7	8.1
Cost of borrowings net of interest income on cash and cash equivalents	**(332.5)**	**(268.2)**	**(112.3)**	**(142.3)**
Settlements and change in fair value of derivative instruments	(12.9)	(4.5)	(4.6)	(15.5)
Foreign currency income and expense, net	(219.6)	16.9	(71.0)	19.2
Other financial income and expense, net	(25.5)	27.5	(19.8)	(6.6)
Other net financial items	**(258.0)**	**39.9**	**(95.4)**	**(2.9)**
Financial result	**(590.5)**	**(228.2)**	**(207.7)**	**(145.2)**

For the nine-month period ended September 30, 2017, "Interest expense on borrowings" includes USD (27.9) million corresponding to the amortization of past issuance costs recognized using the effective interest method (USD (46.9) million for the nine-month period ended September 30, 2016). Besides, such caption includes USD (98.0) million related to NOL for the nine-month period ended September 30, 2017.

"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). The exchange losses for the nine and three-month periods ended September 30, 2017, are mainly due to the appreciation of EUR currency versus USD.

4.6 Income and deferred taxes

4.6.1 Current income taxes

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2017	2016	2017	2016
Current income tax	(66.6)	(56.4)	(28.5)	(9.8)
Deferred tax income / (expense)	18.4	4.0	9.8	3.2
Income Taxes	**(48.2)**	**(52.3)**	**(18.7)**	**(6.6)**

The "Current income tax" expense for the nine-month period ended September 30, 2017 includes USD (1.3) million related to prior year income tax (USD (3.4) million for the nine-month period ended September 30, 2016).

4.6.2 Deferred income tax

Deferred taxes balances break down as follows:

Deferred tax assets	As at September 30, 2017	As at December 31, 2016
Investment tax credit	0.2	0.1
Tax losses carried forward	7.0	7.3
Retirement benefit obligations	16.7	11.7
Other temporary differences	27.8	62.3
Total gross deferred tax assets	**51.7**	**81.4**
Total net deferred tax assets	**43.8**	**59.4**

Deferred tax liabilities	As at September 30, 2017	As at December 31, 2016
Revaluation and depreciation of property and equipment	18.6	21.0
Undistributed profits from subsidiaries	27.7	32.6
Other temporary differences	32.4	84.6
Total gross deferred tax liabilities	**78.7**	**138.2**
Total net deferred tax liabilities	**70.7**	**116.2**
Total net deferred tax assets / (liabilities)	**(27.0)**	**(56.8)**

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. These tax losses are recognized only to the extent of the level of the corresponding deferred tax liability and the foreseeable taxable profit generated by these activities.

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

	For the nine-month period ended September 30,
	2017
Net deferred tax at the begining of the period	**(56.8)**
Changes through Profit & Loss	18.4
Changes through Other Comprehensive Income	(21.9)
Currency translation adjustment	1.0
Other variations	32.3
Net deferred tax at the end of the period	**(27.0)**

Other variations mainly relate to the finalization of NOL purchase price allocation.

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 September 30, 2017	As at December 31, 2016
Beginning of the period	**1,007.9**	**310.4**
Goodwill from business combinations (see Note 3.1.1)	(34.0)	740.3
Other variations	-	3.5
Reclassification to assets held-for-sale	(4.0)	(44.0)
Foreign currency translation adjustment	4.6	(2.3)
At the end of the period	**974.5**	**1,007.9**
of which:		
Allocated to container shipping segment	*949.2*	*982.3*
Allocated to other activities	*25.3*	*25.5*

In 2016, the line item "Goodwill from business combinations(see Note 3.1.1)" mostly corresponds to the goodwill recognized as a result of the preliminary purchase price allocation performed on NOL acquisition. The goodwill allocated to the terminal activities reclassified as held-for-sale had been reclassified into assets held for sale for an amount of USD 44.0 million, which has been increased to USD 48.0 million as part of the finalization of the purchase price allocation performed in the three-month period ended June 30, 2017 (see Note 5.4).

In the nine-month period ended September 30, 2017, the line item "Goodwill from business combinations (see Note 3.1.1)" corresponds to the finalization of the purchase price allocation performed on NOL acquisition as at June 13, 2017 (see Note 3.1.1).

5.1.2 Other intangible assets

The net carrying value of other intangible assets mainly relates to (i) the intangible assets recognized as part of the purchase price allocation related to NOL acquisition (see Note 3.1.1) out of which USD 409.0 million consist of the customer relationships (USD 391.7 million as at December 31, 2016), USD 203.0 million relate to the APL trademark and USD 106.0 million to terminal concession rights (USD 112.6 million as at December 31, 2016) and (ii) softwares in use or in progress for an amount of USD 384.2 million (USD 365.2 million as at December 31, 2016).

5.2 Property and equipment

5.2.1 Variation of property and equipment

Property and equipment are analyzed as follows:

	As at September 30, 2017	As at December 31, 2016
Vessels		
Cost	10,816.6	10,200.0
Cumulated depreciation	(2,407.8)	(2,112.7)
	8,408.8	**8,087.3**
Containers		
Cost	929.2	796.1
Cumulated depreciation	(349.9)	(325.7)
	579.3	**470.4**
Lands and buildings		
Cost	676.8	631.0
Cumulated depreciation	(180.2)	(151.4)
	496.6	**479.7**
Other properties and equipments		
Cost	581.1	520.4
Cumulated depreciation	(216.2)	(208.6)
	364.8	**311.8**
Total		
Cost	13,003.6	12,147.5
Cumulated depreciation	(3,154.1)	(2,798.3)
Property and equipment	**9,849.5**	**9,349.2**

As at September 30, 2017, assets under finance leases, tax lease agreements and other similar arrangements included in the above table represented a cost of USD 4,431.4 million (USD 4,532.0 million as at December 31, 2016) and a cumulated depreciation of USD 1,145.0 million (USD 1,215.8 million as at December 31, 2016).

Variations in the cost of property and equipment for the nine-month period ended September 30, 2017 and the year ended December 31, 2016 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Leased	In-progress				
As at January 1, 2016	**4,779.8**	**3,195.7**	**323.3**	**847.8**	**624.1**	**321.2**	**10,091.8**
Acquisitions	32.8	19.4	85.6	56.7	0.9	136.8	**332.2**
Acquisitions of subsidiaries	2,765.3	130.7	-	582.8	46.7	188.8	**3,714.3**
Disposals	(1,108.4)	(2.2)	-	(688.1)	(20.0)	(34.3)	**(1,853.0)**
Reclassification	-	-	-	(2.9)	(2.2)	(83.1)	**(88.1)**
Vessels put into service & refinancing	(953.9)	953.9	-	-	-	-	**-**
Foreign currency translation adjustment	(1.9)	(20.1)	(0.1)	(0.1)	(18.5)	(9.0)	**(49.6)**
As at December 31, 2016	**5,513.8**	**4,277.3**	**408.8**	**796.1**	**631.0**	**520.4**	**12,147.5**
Acquisitions	62.5	543.9	104.4	153.5	1.3	100.8	**966.5**
Acquisitions of subsidiaries	-	-	-	-	(7.9)	-	**(7.9)**
Disposals	(32.8)	(5.4)	(67.0)	(19.9)	(0.6)	(43.6)	**(169.3)**
Reclassification	-	-	-	(1.6)	0.9	(12.2)	**(12.9)**
Vessels put into service	54.7	84.8	(139.5)	-	-	-	**-**
Vessels refinancing & exercise of purchase option	703.7	(703.7)	-	-	-	-	**-**
Foreign currency translation adjustment	6.7	4.4	-	1.0	52.2	16.0	**80.2**
As at September 30, 2017	**6,308.5**	**4,201.3**	**306.8**	**929.2**	**676.8**	**581.1**	**13,003.6**

As at September 30, 2017 , the Group operates 134 vessels owned or under finance lease or equivalent agreements (128 vessels as at December 31, 2016).

During the nine-month period ended September 30, 2017:

- "Acquisitions" of leased vessels mainly relate to the delivery of five TEU 14,000 vessels through finance leases;
- "Acquisitions" of in-progress vessels relate to prepayments paid to shipyards in relation to the orderbook;

- "Vessels put into service" relate to the reclassification of the prepayments in relation to the deliveries of two TEU 1,700 vessels owned vessels and three TEU 14,000 vessel through finance lease already mentionned above for which some prepayments had been paid to the shipyard;
- "Vessels refinancing & exercice of purchase option" correspond to the historical cost of a vessel which has been refinanced through finance lease (cost of USD 176.3 million and USD 41.2 million of cumulated depreciation) offset by the exercice of the purchase option for seven vessels (historical cost of USD 880.0 million and USD 216.8 million of cumulated depreciation).

In 2016, the line item "acquisition of subsidiares" mainly corresponds to assets acquired as part of NOL acquisition and recognized at their acquisition date fair values (see Note 3.1.1 of the 2016 CFS).

In 2016, the line item "Disposals" mainly relates to sale and lease-back operations on certain vessels and containers, as well as to the disposal of certain vessels.

Borrowing costs capitalized during the nine-month period ended September 30, 2017 amounted to USD 16.6 million (USD 29.5 million for the year ended December 31, 2016).

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

Purchases of property and equipment amounted to USD 966.5 million for the nine-month period ended September 30, 2017 (USD 332.2 million for the year ended December 31, 2016).

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 :

		Nine-month period ended September 30,	
		2017	**2016**
Acquisition of assets presented in the above table	a	966.5	282.0
(-) Assets not resulting in a cash outflow (i)	b	571.9	78.9
CAPEX cash from purchases of property and equipment	a (-) b = c	394.5	203.1
CAPEX cash from purchases of intangible assets	d	47.0	41.0
CAPEX cash from business combination (excluding NOL)	e	11.2	(16.9)
Total CAPEX as per Consolidated Statement of Cash Flows	**c (+) d (+) e**	**452.7**	**227.2**

(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 nine-month period ended September 30, 2017 and the year ended December 31, 2016 are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Leased	In-progress				
As at January 1, 2016	**(1,161.8)**	**(640.6)**	**-**	**(348.4)**	**(141.5)**	**(171.9)**	**(2,464.2)**
Depreciation	(223.9)	(143.3)	-	(51.5)	(24.5)	(49.9)	**(493.1)**
Disposals	63.0	2.2	-	72.6	10.2	16.6	**164.5**
Impairment	(18.7)	-	-	0.0	-	(12.8)	**(31.4)**
Vessels put into service & refinancing	381.6	(381.6)	-	-	-	-	**-**
Reclassification	-	-	-	1.4	0.5	6.4	**8.3**
Foreign currency translation adjustment	0.7	9.7	-	0.2	4.0	3.0	**17.7**
As at December 31, 2016	**(959.1)**	**(1,153.6)**	**-**	**(325.7)**	**(151.4)**	**(208.6)**	**(2,798.3)**
Depreciation	(189.2)	(122.5)	-	(29.8)	(16.8)	(41.9)	**(400.1)**
Disposals	24.4	5.4	-	5.7	0.2	41.6	**77.3**
Impairment	(7.8)	-	-	0.0	-	-	**(7.8)**
Vessels refinancing & exercise of purchase option	(175.5)	175.5	-	-	-	-	**-**
Reclassification	-	-	-	0.3	(0.5)	1.0	**0.7**
Foreign currency translation adjustment	(3.2)	(2.3)	-	(0.4)	(11.7)	(8.3)	**(25.9)**
As at September 30, 2017	**(1,310.4)**	**(1,097.4)**	**-**	**(349.9)**	**(180.2)**	**(216.2)**	**(3,154.1)**

Including intangible assets, the total depreciation for the nine-month period ended September 30, 2017 amounts to USD 462.5 million (USD 571.0 million for the year ended December 31, 2016).

The net book value of property and equipment at the opening and closing for the nine-month period ended September 30, 2017 and the year ended December 31, are analyzed as follows:

	Vessels			Containers	Lands and buildings	Other properties and equipments	Total
	Owned	Leased	In-progress				
As at September 30, 2017	4,998.1	3,103.9	306.8	579.3	496.6	364.8	**9,849.5**
As at December 31, 2016	4,554.7	3,123.7	408.8	470.4	479.7	311.8	**9,349.2**
As at January 1, 2016	3,617.9	2,555.1	323.3	499.4	482.6	149.3	**7,627.6**

The net book value of the container fleet as at September 30, 2017 includes USD 146.2 million related to containers under finance leases (USD 152.8 million as at December 31, 2016).

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 306.8 million as at September 30, 2017 (USD 408.8 million as at December 31, 2016).

Apart from the vessel deliveries disclosed in Note 5.2.1 and the new order mentioned in Note 3.4, 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 2016 annual consolidated CFS.

5.3 Working Capital

5.3.1 Inventories

	As at September 30, 2017	As at December 31, 2016
Bunkers	358.9	279.5
Other inventories	82.8	68.8
Provision for obsolescence	(1.0)	(0.7)
Inventories	**440.7**	**347.6**

5.3.2 Trade receivables and payables

Trade and other receivables are analyzed as follows:

	As at September 30, 2017	As at December 31, 2016
Trade receivables	2,384.7	2,008.6
Less impairment of trade receivables	(88.0)	(88.7)
Trade receivables net	**2,296.7**	**1,919.9**
Prepayments	199.1	118.3
Other receivables, net	170.4	458.5
Employee, social and tax receivables	145.0	139.0
Trade and other receivables (*)	**2,811.2**	**2,635.7**

(*) including current income tax asset

"Other receivables, net" mainly include accrued income estimated due to the time between the provision of services and the issue of the final invoices from shipping agents to customers throughout the world.

Trade and other payables are analyzed as follows:

	As at September 30, 2017	As at December 31, 2016
Trade payables	1,408.1	1,384.4
Employee, social and tax payables	312.1	273.8
Other payables (mainly accruals for port call expenses, transportation costs, handling services)	1,629.1	1,859.6
Trade and other payables (*)	**3,349.3**	**3,517.9**

(*) including current income tax liability

In 2016, "Other payables" included an amount payable in euros of USD 44.6 million owed to Merit Corporation, a related party. This payable beared interest at 7% per annum and mainly corresponded to dividends declared by the Company in 2007 and 2008. Such liability has been repaid to Merit early 2017 and has been presented as a cash flow from financing activities in the interim condensed consolidated statement of cash flows.

The working capital can be analyzed as follows:

	As at December 31, 2016	Variations linked to operations	Currency translation adjustment	Others	As at September 30, 2017
Inventories	347.6	93.6	1.6	(2.0)	440.7
Trade and accounts receivable (*)	2,635.7	123.1	72.9	(20.5)	2,811.2
Prepaid expenses	369.0	33.9	0.6	(4.9)	398.5
Trade and other payables (**)	(3,517.9)	125.6	(57.8)	100.8	(3,349.3)
Deferred income	(701.9)	(83.8)	0.2	8.7	(776.7)
Net working capital	**(867.5)**	**292.4**	**17.5**	**82.0**	**(475.6)**

(*) including current income tax asset

(**) including current income tax liability

5.3.3 Prepaid expenses and deferred income

Prepaid expenses and deferred income mainly include voyages in progress at the Statement of Financial Position date resulting from the revenue recognition accounting principles dislosed in Note 4 in the 2016 annual CFS.

5.4 Non-current assets held for sale

At the end of 2016, the Group decided to classify some of its terminal assets and related liabilities as assets held for sale due to the current status of the disposal project, and the likelihood of achieving the sale in the next 12 months.

The disposal project is not constitutive of a business that would have to be treated as discontinued operations, and hence the Profit & Loss related to these activities has been considered as continuing operations for the nine-month period ended September 30, 2017. However, the depreciation of the related non-current assets has been discontinued from December 31, 2016.

As at September 30, 2017, the assets and liabilities related to these terminal activities are as follows:

	As at September 30, 2017	As at December 31, 2016
Goodwill	48.0	44.0
Other intangible assets	624.0	637.6
Property and equipment	79.9	78.1
Cash and cash equivalents	4.6	1.9
Other current assets	74.5	76.3
TOTAL ASSETS	**831.0**	**838.0**
Deferred tax liabilities	8.2	8.2
Non-current liabilities	19.8	12.1
Current liabilities	28.1	26.3
TOTAL LIABILITIES	**56.0**	**46.6**

For the nine-month period ended September 30, 2017, such terminal assets contributed to the continuing operations as follows:

- USD 16.9 million in EBITDA;
- USD 10.4 million in Core EBIT; and
- USD 10.1 million in Profit for the period.

See Notes 3.1.2 for an update status of the project.

5.5 Free cash flow

Free cash flow is USD 956.5 million for the nine-month period ended September 30, 2017. It is composed of cash flow from operations for USD 1,192.3 million (of which EBITDA contributed for USD 1,700.7 million and variation of working capital for USD (292.4) million) and cash flow used for investing activities for USD (235.8) 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 (394.5) million, as well as the proceeds from disposal of property and equipment for USD 97.6 million and the net proceeds received as part of the variation of other financial assets for USD 132.3 million.

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 2016 annual CFS.

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

	Note	As at September 30, 2017	As at December 31, 2016
Total Borrowings	6.4	**8,910.7**	**8,278.2**
(-) Bonds redeemable in shares in Borrowings	6.4	(119.7)	(180.8)
(-) LTV deposits	6.2.1	(62.7)	(14.9)
Adjusted gross debt : A		**8,728.3**	**8,082.5**
Cash and cash equivalents as per statement of financial position	6.3	**1,488.6**	**1,211.6**
(+) Securities	6.2.2	38.8	13.4
(-) Restricted cash	6.3	(8.2)	(4.4)
Unrestricted cash and cash equivalents : B		**1,519.2**	**1,220.6**
Adjusted net debt : A (-) B		**7,209.1**	**6,861.9**

	Note	As at September 30, 2017	As at December 31, 2016
Total Equity		**5,612.4**	**4,927.6**
(+) Bonds redeemable in shares in Borrowings	6.4	119.7	180.8
(-) Currency translation adjustment recognized in total equity		84.3	162.8
Adjusted Equity		**5,816.4**	**5,271.1**

6.1 Derivative financial instruments

Derivative financial instruments are analyzed as follows:

	As at September 30, 2017		As at December 31, 2016	
	Assets	Liabilities	Assets	Liabilities
Interest swaps - cash flow hedge	1.8	39.6	0.1	42.3
Interest swaps - not qualifying to hedge accounting	-	4.6	-	3.9
Cross currency interest rates swaps - fair value hedge	-	99.2	-	191.4
Cross currency interest rates swaps - cash flow hedge	0.1	30.4	-	50.4
Currency forward contracts - fair value hedge	0.6	-	-	-
Total derivative financial instruments	**2.5**	**173.8**	**0.1**	**288.0**
of which non-current portion (greater than 1 year)	*1.6*	*150.8*	*0.1*	*215.5*
of which current portion (less than 1 year)	*0.8*	*23.0*	-	*72.5*

As at September 30, 2017 and December 31, 2016, the Company did not record any transfer between derivative financial instruments' categories.

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 September 30, 2017	As at December 31, 2016
Gross	57.0	55.0
Impairment	(8.4)	(8.9)
Investments in non consolidated companies	**48.5**	**46.1**
Gross	104.6	101.0
Impairment	(45.2)	(40.2)
Loans	**59.4**	**60.8**
Gross	245.2	192.3
Impairment	-	-
Deposits	**245.2**	**192.3**
Gross	64.4	21.9
Impairment	(0.6)	(0.2)
Receivable from associates & joint ventures	**63.8**	**21.7**
Gross	157.1	229.3
Impairment	(0.1)	(0.1)
Other financial assets	**157.0**	**229.2**
Gross	628.2	599.5
Impairment	(54.3)	(49.5)
Total other non-current financial assets, net	**573.9**	**550.0**

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

Included in "Deposits" are mainly:

- USD 62.7 million as at September 30, 2017 (USD 14.9 million as at December 31, 2016) of cash deposited in escrow accounts in relation to certain loan-to-value provisions in financing agreements ; and
- USD 159.2 million as at September 30, 2017 (USD 142.9 million as at December 31, 2016) of cash deposits which do not qualify as cash and cash equivalents.

Other financial assets

As at September 30, 2017, "Other financial assets" mainly include USD 110.8 million (USD 181.1 million as at December 31, 2016) of financial tax benefit to be received at the maturity of the tax financing period. The decrease in other financial assets, compared to December 31, 2016, relates to the tax benefits received following the exercice of the purchase option on the shares of Special Purpose Entities in relation to 5 vessels which were previously recognized in the statement of financial position as finance leases, which generated a cash inflow of USD 121.6 million and a positive impact in other financial result of USD 3.4 million.

6.2.2 Securities and other current financial assets

"Securities and other current financial assets" as at September 30, 2017 include securities at fair value for an amount of USD 38.8 million (USD 13.5 million as at December 31, 2016).

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.

The decrease of other current financial assets from December 31, 2016 to September 30, 2017 is mainly due to a financial deposit which was not classified as cash equivalents as at December 31, 2016, which has been renewed during the three-month period ended September 30, 2017 under a new financial arrangement which classifies as cash equivalents.

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 September 30, 2017	As at December 31, 2016
Cash on hand	576.5	640.9
Short term deposits	903.9	566.3
Restricted cash	8.2	4.4
Cash and cash equivalents as per statement of financial position	**1,488.6**	**1,211.6**
Bank overdrafts	(98.7)	(79.5)
Cash and cash equivalents and bank overdraft	**1,389.9**	**1,132.0**
Cash reported in assets held-for-sale	**4.6**	**1.9**
Cash and cash equivalents and bank overdrafts, as per cash flow statement	**1,394.5**	**1,133.9**

6.3.2 Undrawn committed credit facilities and liquidity position

On September 14, 2017, CMA CGM signed an agreement with certain lenders with respect to a new unsecured revolving credit facility for a minimum initial amount of $205 million, maturing in three years.

As a consequence, as at September 30, 2017, the Group has access to undrawn committed credit facilities amounting to USD 889.0 million (USD 841.0 million as at December 31, 2016) granted by various financial institutions, of which the average maturity is around 2.0 years ranging from 1 to 6.5 years.

Together with the abovementionned "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 2,311.2 million as of September 30, 2017 (USD 1,982.1 million as December 31, 2016).

6.4 Borrowings

6.4.1 Maturity schedule, variations and detail of borrowings

Borrowings are presented below and include bank overdrafts, long-term bank borrowings, finance leases and similar arrangements and have the following maturities:

	As at September 30,	Current portion	Non current portion	Maturity schedule : September 30,				
				2019	2020	2021	2022	Onwards
Senior notes	**2,254.2**	**(23.9)**	**2,278.1**	(26.0)	396.6	1,055.2	755.5	96.8
Bonds and preferred shares redeemable in shares	**119.7**	**80.7**	**39.0**	14.5	15.9	8.6	-	-
Bank borrowings	**3,053.7**	**604.9**	**2,448.8**	459.8	380.7	328.4	389.5	890.3
Obligations under finance leases	**1,828.4**	**234.5**	**1,593.9**	241.7	268.8	175.6	199.5	708.3
Bank overdrafts	**98.7**	**98.7**	**-**	-	-	-	-	-
Securitization program	**1,392.3**	**399.1**	**993.2**	993.2	-	-	-	-
Other borrowings	**163.7**	**137.2**	**26.6**	23.3	0.7	0.7	0.5	1.3
Total	**8,910.7**	**1,531.2**	**7,379.5**	1,706.5	1,062.6	1,568.5	1,345.0	1,696.8

Variations in borrowings can be analyzed as follows:

	Senior notes	Bonds and preferred shares redeemable in shares	Bank borrowings	Obligations under finance leases	Bank overdrafts	Securitization program	Other borrowings	Total
Balance as at January 1, 2017	**1,927.0**	**180.8**	**3,291.2**	**1,587.2**	**79.5**	**1,083.1**	**129.3**	**8,278.2**
Proceeds from new borrowings, net of issuance costs	731.1	-	274.8	-	-	272.6	0.4	1,278.9
Repayment of financial borrowings	(642.8)	(62.9)	(841.6)	(145.5)	-	-	(1.6)	(1,694.3)
Other increase/decrease in borrowings	13.4	-	44.4	507.2	18.3	-	(1.6)	581.8
Accrued interests and fees amortization	10.3	1.8	7.4	9.5	-	0.6	35.3	64.9
Refinancing of assets, net of issuance costs	-	-	-	80.2	-	-	-	80.2
Exercice of purchase option (non cash)	-	-	216.3	(216.3)	-	-	0.0	0.0
Foreign currency translation adjustments	215.1	-	61.1	6.1	0.8	36.0	1.8	321.0
Balance as at September 30, 2017	**2,254.2**	**119.7**	**3,053.7**	**1,828.4**	**98.7**	**1,392.3**	**163.7**	**8,910.7**

The line item "Other increase / decrease in borrowings" mainly corresponds to variation in borrowings which did not have any cash impact for the Group either because (i) the asset is financed through obligation under finance lease, (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.

Increase in bank borrowings (as well as decrease to a lesser extent, together with usual principal repayment) mainly relates to various drawdown and repayments on the Group's committed credit facilities.

Borrowings 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	Obligations under finance leases	Other borrowings, securitization and overdrafts	Average Interest rate after hedging, amortized cost and "PPA"
Vessels	-	-	2,085.7	1,685.1	-	4.81%
Containers	-	-	70.5	119.1	-	5.02%
Land and buildings	-	-	140.5	3.0	-	0.68%
Handling	-	-	2.3	10.7	-	1.96%
Other tangible assets	-	-	1.4	10.5	-	5.09%
General corporate purposes	2,254.2	119.7	753.3	-	1,654.8	5.16%
Total	**2,254.2**	**119.7**	**3,053.7**	**1,828.4**	**1,654.8**	

6.4.2 Details of Senior Notes

As at September 30, 2017, the Group has 6 unsecured Senior Notes outstanding which can be detailed as follows:

- SGD 300 million of nominal amount, issued by NOL Limited and maturing in November 2019;
- 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 (see below);
- USD 116.5 million of nominal amount, issued by APL Limited and maturing in January 2024.

New bond issuance of EUR 650 milliom and related use of proceeds

On July 13, 2017, the Company issued a 5-year unsecured bond amounting to EUR 650 million, maturing in July 2022 and bearing a 6.5% coupon. The cash received by the Company amounted to EUR 643.5 million (USD 731.1 million) at transaction date, net of certain issuance costs.

The proceeds of the bond issue were used:

- to redeem some credit facilities drawn in the second quarter of 2017 to repay the SGD 400 million Senior Notes, issued by NOL, which matured in April 2017 for an amount of USD 320.7 million (including the effect of the related derivative financial instrument); and
- to early repay the EUR 300 million unsecured Notes, issued by CMA CGM, which matured in December 2018.

6.4.3 Securitization program

During the nine-month period ended September 30, 2017, the securitization programs increased by USD 272.6 million.

6.4.4 Bonds and preferred shares redeemable in shares

The balance of the bonds and preferred shares as at September 30, 2017 breaks down as follows:

- USD 67.6 million representing the interest portion of priority dividend payable till maturity (December 31, 2017), as a remuneration of the preferred shares redeemable in ordinary shares held by Yildirim; the priority dividend related to 2016 has been paid during the nine-month period ended September 30, 2017;
- USD 52.1 million representing the interest portion of interests payable till maturity, as a remuneration of the bonds redeemable in shares held by BPI.

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.

6.4.5 Other borrowings

As at September 30, 2017, other borrowings include USD 127.4 million of accrued interests (USD 92.0 million as at December 31, 2016).

6.5 Cash flow from financing activities

Cash flow from financing activities amounts to USD (709.7) million for the nine-month period ended September 30, 2017. The financing cash flows mainly consisted in drawdown of borrowings (mainly newly issued Senior Notes and committed credit facilities) for USD 1,278.9 million, balanced by the repayment of borrowings for USD (1,694.3) million, the payment of financial interests for USD (266.1) million.

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 2016 annual CFS. There has not been any material change during the nine-month period ended September 30, 2017.

7.1 Investments in associates and joint ventures

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

	As at September 30, 2017	As at December 31, 2016
Beginning of the period	**900.2**	**635.8**
Acquisition of subsidiaries	-	194.0
Transfer of carrying value of newly controlled entities	-	(5.7)
New investments in associates and joint ventures	59.5	87.6
Disposal	-	(1.8)
Share of (loss) / profit	19.1	(22.3)
Dividend paid or payable to the Company	(10.2)	(19.7)
Other comprehensive income / (expense)	34.2	(15.3)
Reclassification from / to other items	4.6	46.3
Other	-	1.5
At the end of the period	**1,007.4**	**900.2**

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 line item "New investment in associates and joint ventures" mainly corresponds to the additional capital injection in the Group's joint venture with PSA in Singapore for USD 23.7 million (see Note 3.3) and in the terminal project of Kribi in Cameroon for USD 25.3 million.

As at September 30, 2017, the main contributors to investments in associates and joint ventures are as follows:

- 51% of Terminal Link Group for USD 403.3 million (USD 383.0 million as at December 31, 2016);
- 44% of Global Ship Lease for USD 152.3 million (USD 146.4 million as at December 31, 2016). The fair value of Global Ship Lease quoted shares, at the Company's share, amounts to approx. USD 38.3 million as at September 30, 2017 (USD 37 million as at December 31, 2016);
- 30% of Rotterdam World Gateway ("RWG") for USD 196.5 million (USD 184.0 million as at December 31, 2016);
- 49% of CPLT for USD 110.4 million (USD 76.7 million as at December 31, 2016).

For the year ended December 31, 2016:

- The line item "Acquisition of subsidiaries" mainly corresponds to minority owned terminals in NOL scope, which have been measured at fair value on acquisition date;
- The line item "New investment in associates and joint ventures" mainly corresponds to the participation of 49% in CPLT for USD 79.7 million and to the capital injection in Rotterdam World Gateway BV for USD 9.2 million;
- The line item "Reclassification from / to other items" mainly consists of shares in RWG for USD 50.0 million in which the Company had a 10% shareholding, reclassified from other financial assets as a consequence of NOL acquisition which also has a 20% ownership in RWG, thus resulting in a significant influence and an overall 30% ownership for the Group.

During the year ended December 31, 2016, Global Ship Lease recorded impairment charges amounting to USD 41.1 million (at Group share in Global Ship Lease). No impairment charge was recognized in the nine-month period ended September 30, 2017.

7.2 Related party transactions

No new significant transaction has been entered into with related parties compared to the information disclosed in Note 7.5 of the 2016 annual CFS.

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, 2016	**83.1**	**105.7**	**188.8**	*167.9*	*20.9*	**131.0**	*128.7*	*2.3*
Additions for the period	8.4	63.5	**71.9**			**16.2**		
Reversals during the period (unused)	(19.4)	(2.4)	**(21.7)**			**(0.1)**		
Reversals during the period (used)	(17.4)	(35.8)	**(53.2)**			**(12.0)**		
Acquisition of subsidiaries	71.0	144.3	**215.3**			**55.7**		
Actuarial (gain) / loss recognized in the OCI	-	-	**-**			**0.1**		
Foreign currency translation adjustment	0.3	(2.7)	**(2.4)**			**(8.2)**		
As at December 31, 2016	**126.0**	**272.6**	**398.6**	*358.2*	*40.5*	**182.6**	*180.4*	*2.2*
Additions for the period	39.6	16.7	**56.3**			**17.1**		
Reversals during the period (unused)	(25.3)	3.8	**(21.6)**			**(0.4)**		
Reversals during the period (used)	(13.7)	(28.1)	**(41.8)**			**(6.7)**		
Reclassification of liabilities associated to assets held for sale	(5.9)	-	**(5.9)**			**-**		
Reclassification	-	(5.3)	**(5.3)**			**(0.4)**		
Acquisition of subsidiaries	(0.1)	1.4	**1.3**			**3.2**		
Actuarial (gain) / loss recognized in the OCI	-	-	**-**			**4.2**		
Foreign currency translation adjustment	0.2	13.5	**13.8**			**4.8**		
As at September 30, 2017	**120.9**	**274.6**	**395.5**	*333.5*	*62.0*	**204.2**	*201.9*	*2.4*

8.1.1 Provisions for litigation and other risks and obligations

Litigation

Provisions for litigation as at September 30, 2017 corresponds to cargo related and other claims incurred in the normal course of business (same as at December 31, 2016). None of these claims taken individually represents a significant amount.

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 116.2 million (USD 99.1 million as at December 31, 2016), increased by USD 17.1 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.

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 2016 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.

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

Antitrust matters

The Group's US agent CMA CGM (America) LLC was served with a subpoena by the Department of Justice in the United States on March 15, 2017. The subpoena appears to relate to an antitrust investigation of the liner shipping industry in the U.S. The subpoena seeks documents from CMA CGM (America) LLC and its affiliates, including CMA CGM S.A. The Group is currently reviewing this case with its external legal counsels, who are in contact with the Department of Justice to discuss CMA CGM's compliance with the subpoena. As the investigation is still in its initial stages, it is too early to determine the outcome of this investigation and the financial effects therefrom, if any.

8.2 Commitments

Apart from the information disclosed elsewhere in these interim condensed CFS, notably in relation to the orderbook (see Note 5.2.2), no significant commitment has been entered into since the information disclosed in the 2016 annual CFS.

8.3 Significant subsequent events

Acquisition of SOFRANA

On November 1, 2017, CMA CGM purchased, through its subsidiary, ANL, the majority of the shares in SOFRANA Unilines, a key player in the Pacific Islands regional maritime trade. SOFRANA Unilines operates directly or in partnership a fleet of 10 vessels on eight trade-lanes, servicing 21 ports in Australia, New Zealand, Papua New Guinea and the Pacific islands. With successful operations in the South Pacific region for almost 50 years, SOFRANA will provide enhanced port coverage to ANL and CMA CGM in this area.

Rating

On October 9, 2017, Standard and Poors upgraded CMA CGM 's long term corporate credit rating from B to B+ with a stable outlook.

On October 13, 2017, Moody's upgraded its oultlook on CMA CGM 's long term corporate credit rating B1, from a stable to a positive outlook.

New bond issue

On October 24, 2017, the Company issued a 7-year unsecured bond amounting to EUR 500 million, maturing in January 2025 and bearing a 5.25% coupon. The proceeds of the bond issue will be mainly used to repay some secured borrowings.

Within the same bond issuance, on November 6, 2017, additional notes were issued at a price of 101.75% for an amount of EUR 250 million, with same maturity and coupon, representing a yield to maturity of 4,954%. The proceeds of these additional notes will be affected to the early redemption of the SGD 300 million bond, issued by NOL, maturing in November 2019.

CMA CGM Group governance

On November 24, 2017, the Board of Directors has decided to appoint Rodolphe Saadé to the position of Chairman of the Board and Chief Executive Officer of the CMA CGM Group, and Jacques Saadé Founder-Chairman.