



CMA CGM S.A.

\$475,000,000 8.500% Senior Notes due 2017

€325,000,000 8.875% Senior Notes due 2019

We are offering \$475,000,000 aggregate principal amount of our 8.500% Senior Notes due 2017 (the “dollar-denominated notes”) and €325,000,000 aggregate principal amount of our 8.875% Senior Notes due 2019 (the “euro-denominated notes”). The dollar-denominated notes and the euro-denominated notes are collectively referred to herein as the “notes,” unless the context requires otherwise.

The dollar-denominated notes will bear interest at a rate of 8.500% per year and the euro-denominated notes will bear interest at a rate of 8.875% per year. Interest on the notes is payable on April 15 and October 15 of each year, beginning on October 15, 2011. The dollar-denominated notes will mature on April 15, 2017. Prior to April 15, 2014, we may redeem all or part of the dollar-denominated notes by paying a “make-whole premium.” We may redeem all or part of the dollar-denominated notes at any time on or after April 15, 2014 at the redemption prices as described under the caption “Description of Notes—Optional Redemption.” The euro-denominated notes will mature on April 15, 2019. Prior to April 15, 2015, we may redeem all or part of the euro-denominated notes by paying a “make-whole premium.” We may redeem all or part of the euro-denominated notes at any time on or after April 15, 2015 at the redemption prices as described under the caption “Description of Notes—Optional Redemption.” In addition, until April 15, 2014, we may redeem up to 35% of the euro-denominated notes and up to 35% of the dollar-denominated notes, in each case, with the proceeds of certain equity offerings at the redemption prices as described under the caption “Description of Notes—Optional Redemption.”

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

The net proceeds of the offering of the notes will initially be deposited into designated escrow accounts with The Bank of New York Mellon, London Branch, together with additional amounts in cash necessary to redeem the dollar-denominated notes at the Dollar Escrow Redemption Price and the euro-denominated notes at the Euro Escrow Redemption Price, each as set forth in this Luxembourg listing particulars, until the earlier of (i) the date that is 60 days after issuance of the notes (the “Escrow Redemption Date”) and (ii) the date on which the escrowed funds are released to the Issuer, see “Description of Notes—Escrow Arrangements.” In the event that the conditions for release from escrow are not met by the Escrow Redemption Date or if we elect to exercise the special optional redemption provisions, the funds in the escrow accounts will be released to redeem the notes at 101% of the issue price of the notes plus accrued interest. See “Description of Notes—Special Redemption.”

Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market of the Luxembourg Stock Exchange.

Investing in the notes involves risks. See “Risk Factors” beginning on page 19.

The notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). In the United States, the offering is being made only to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the sellers of the notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the offering is being made in reliance on Regulation S under the Securities Act.

Dollar-denominated notes price: 100%, plus accrued interest if any
Euro-denominated notes price: 100%, plus accrued interest if any

Interest on the notes will accrue from April 21, 2011 to the date of delivery.

We expect that the notes will be delivered in book-entry form through The Depository Trust Company (“DTC”), Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream”) on or about April 21, 2011.

Joint Book Running Managers

BNP PARIBAS

Deutsche Bank

Société Générale
Corporate & Investment Banking

Citi

Natixis

The date of this Luxembourg listing particulars is May 16, 2011

You should rely only on the information contained in this Luxembourg listing particulars. We have not, and none of the initial purchasers has, authorized anyone to provide you with different information. We are not, and none of the initial purchasers is, making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Luxembourg listing particulars is accurate as of any date other than the date on the front of this Luxembourg listing particulars.

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The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information set forth in this Luxembourg listing particulars. Nothing contained in this Luxembourg listing particulars is or should be relied upon as a promise or representation by any of the initial purchasers as to the past or the future.

We confirm to the best of our knowledge, information and belief, having made all reasonable inquiries, that the information contained in this Luxembourg listing particulars regarding us and the notes is true and accurate in all material respects. We additionally confirm, except as provided below, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which would make this Luxembourg listing particulars as a whole or any of such information or the expression of any such opinions or intentions misleading. We accept responsibility accordingly. However, the information set out in this Luxembourg listing particulars describing clearing arrangements, including the section entitled "Book Entry, Delivery and Form," is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and Clearstream, as currently in effect. In addition, this Luxembourg listing particulars contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us, or any of the initial purchasers or the Luxembourg Paying Agent.

This Luxembourg listing particulars has been prepared by us solely for use in connection with this offering. This Luxembourg listing particulars is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire notes.

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

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

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

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

It is expected that delivery of the notes will be made against payment therefore on or about the date of the settlement of this offering, which will be the fifth business day following the date of pricing of the notes (such settlement being referred to as “T+5”). You should note that trading of the notes on the date of pricing or the next succeeding business day may be affected by the T+5 settlement. See “Plan of Distribution—Initial Settlement”.

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

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

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

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

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

NOTICE TO U.S. INVESTORS

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

NOTICE TO CERTAIN EUROPEAN INVESTORS

European Economic Area

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

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

- (i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, two or more of (1) a total balance sheet of more than \$20,000,000, (2) an annual net turnover of more than \$40,000,000 and (3) an equity of more than \$2,000,000, on an individual basis;
- (iii) to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), in any Relevant Member State, subject to obtaining the prior consent of the initial purchasers; or
- (iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

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

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

France

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

United Kingdom

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

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

Germany

The offering of the notes is not a public offering in the Federal Republic of Germany. The notes may be offered and sold in the Federal Republic of Germany only in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (*Wertpapierprospektgesetz*) (the “German Securities Prospectus Act”) and any other applicable German law. Consequently, in Germany the notes will only be available to, and this Luxembourg listing particulars and any other offering material in relation to the notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the German Securities Prospectus Act. Any resale of the notes in Germany may only be made in accordance with the German Securities Prospectus Act and other applicable laws. The Issuer has not, and does not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (“BaFin”) or obtain a notification to BaFin from another competent authority of a Member State of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17 Para. 3 of the German Securities Prospectus Act.

Italy

The offering of the notes has not been cleared by the *Commissione Nazionale per la Società e la Borsa* (“CONSOB”) (the Italian Securities Exchange Commission), pursuant to Italian securities legislation and,

accordingly, in the Republic of Italy the notes may not be offered, sold or delivered, nor may copies of this Luxembourg listing particulars or of any other document relating to the notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*operatori qualificati*), as defined in Article 31, second paragraph, of CONSOB Regulation No. 115522 of July 1, 1998 (“Regulation 115522”), as amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998 (the “Financial Services Act”) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May, 1999, as amended.

Any offer, sale or delivery of the notes or distribution of copies of this Luxembourg listing particulars or any other document relating to the notes in the Republic of Italy under (i) or (ii) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September 1, 1993, the Financial Services Act, Regulation 11522 and any other applicable laws and regulations; and
- (ii) in compliance with any and all other applicable laws and regulations.

Luxembourg

This offering of the notes does not constitute a public offering of securities within the Grand Duchy of Luxembourg. This Luxembourg listing particulars constitutes a prospectus in accordance with Articles 5 and 30 of the Law of July 10, 2005 on prospectuses for securities.

Spain

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

The Netherlands

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

STABILIZATION

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

CERTAIN TERMS AND CONVENTIONS

As used in this Luxembourg listing particulars:

- “calls” means stopping at a port to load and discharge cargo;
- “capacity,” unless otherwise specified, means the maximum number of containers as measured in TEU that could theoretically be loaded onto a container ship without taking into account operational constraints (including, but not limited to, the actual weight of any loaded containers); with reference to a fleet, a carrier or the container shipping industry, capacity is the total TEU capacity of all ships in the fleet, the carrier or the industry, as applicable;
- “carrier,” unless otherwise specified, means a company providing container shipping services;
- “CdP” means Compagnie du Ponant;
- “CdP Financing” means vessel financings with respect to the Boreal and Austral cruise vessels ordered by CdP without recourse to the Issuer and on the basis of a LTV ratio in line with the then current market practice, in accordance with our current financing arrangements;
- “demurrage” means the fee we charge for each day that an importer maintains possession of a container beyond the scheduled or agreed date of return;
- “direct calls” mean ports called by vessels deployed on main lines;
- each of “euro” and “€” means the single currency of the member states of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time;
- each of “own,” “to own” or “owned,” with respect to our vessels or containers, means vessels or containers to which we have title or that we have financed through lease arrangements that transfer substantially all the risks and rewards of ownership to us;
- each of “U.S. dollars,” “dollars,” “U.S. \$” and “\$” means the lawful currency of the United States of America;
- each of the “Company,” “we,” “us” and “our” means CMA CGM and all of its subsidiaries as of the date discussed, unless otherwise specified or the context suggests otherwise;
- “excluded zone” means areas excluded from our basic war insurance policy because such areas involve high risk of, among other things, losses due to war, acts of terrorism or piracy;
- “feeder line” means a shipping line connecting a secondary port to a primary port;
- “freight forwarders” means intermediaries between carriers and direct shippers which consolidate cargo and prepare customs documentation;
- “IFRS” means International Financial Reporting Standards, as adopted for use in the European Union by the European Commission;
- “Issuer” means CMA CGM S.A., excluding its consolidated subsidiaries;
- “LTV” means loan-to-value, or the ratio of the amount borrowed to the fair market value;
- “main lines” means shipping lines that traverse oceans;
- “Merit Corporation” means a company (*société anonyme libanaise*) organized under the laws of Lebanon formerly known as Merit S.A.L., and the principal shareholder of the Issuer;
- “notes” means the notes issued hereunder;
- “OECD” means the Organization for Economic Co-operation and Development, a group of 30 member states focused on developing the international market economy;
- “ORA” means the 2,644,590 subordinated bonds redeemable in preference shares of the Issuer issued in connection with the Yildirim Investment;
- “primary port” means ports which are called by main lines;
- “Restructuring Principles” means that certain set of guidelines and principles for the amendments to our financing arrangements, dated January 12, 2011, by and between us and the steering committee

representing certain of our creditors;

- “secondary port” means ports which are called by feeder lines and not by main lines;
- “Senior Notes due 2012” means the €500 million 5½% Senior Notes due 2012, issued by the Issuer in June 2007, of which €268.4 million were outstanding as of December 31, 2010;
- “Senior Notes due 2013” means the \$300 million 7¼% Senior Notes due 2013 issued by the Issuer in February 2006, of which \$143.5 million were outstanding as of December 31, 2010;
- “short-term” charters and “long-term” charters means charters for a term of (i) up to and including two years and (ii) more than two years, respectively;
- “slot” means the space required for one TEU on board a ship;
- “slot swap” means an exchange of container capacity between us and another carrier;
- “sterling” means the lawful currency of the United Kingdom of Great Britain and Northern Ireland;
- “TEU” means a 20-foot equivalent unit, the standard unit of measurement of volume used in the container shipping industry; and
- “Yildirim Investment” means the issuance on January 27, 2011 of the ORA to Yildirim Asset Management Holding BV for \$500 million, pursuant to an investment agreement, dated November 25, 2010, among us, Merit Corporation and Yildirim Holding, to which Yildirim Asset Management Holding BV acceded.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Data

Our audited consolidated financial statements for the years ended December 31, 2008 and 2007 are incorporated by reference herein and available at the specified office of the Luxembourg Paying Agent.

Our audited consolidated financial statements for the years ended December 31, 2010 and 2009 included elsewhere in this Luxembourg listing particulars have been prepared in accordance with IFRS. The auditors' report included elsewhere in this Luxembourg listing particulars was prepared for the purpose of the offering of the notes.

Changes in accounting policies during periods presented are disclosed in note 2.2 to the consolidated financial statements included in the F-pages of this Luxembourg listing particulars. None of these changes materially affected our financial performance or positions.

Since June 30, 2009, the Company has been in breach of certain of its financial covenants under the provisions of certain of its financial debt agreements. Our creditors were able to declare the related indebtedness for these financial debts to be immediately repayable.

As of December 31, 2009, as no agreement had been reached with our creditors, the portion of our financial debts for which a breach of covenant was identified was classified as current in our consolidated balance sheet. As these events might give rise to material uncertainties regarding the Company's ability to continue as a going concern, our auditors, without qualifying their audit opinion, included an emphasis of matter on this subject in their audit report on our consolidated financial statements as of December 31, 2009.

As disclosed elsewhere in this Luxembourg listing particulars, to date in 2011 we have (i) agreed to new terms and conditions applicable to our financial debts with certain of our principal creditors and substantially all past breaches of covenants were waived or cured and (ii) secured financing for most of our future vessels to be delivered in 2011 and 2012. We believe that these new facts and circumstances alleviated the material uncertainties surrounding the Company's ability to continue as a going concern.

We have presented certain financial data on a pro forma basis after giving effect to the Yildirim Investment, our amendments to our financing arrangements, the issuance of the notes offered hereby, the application of the net proceeds therefrom and the satisfaction of the Escrow Release Conditions Precedent. Such pro forma financial data does not reflect the impact of the CdP Financing.

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

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

Use of Non-IFRS Financial Measures

In this Luxembourg listing particulars, we present our EBITDA and certain ratios and margins based on EBITDA for certain periods. EBITDA represents operating profit/(loss), plus depreciation and amortization of non-current assets, impairment of assets and risks associated to vessels and negative goodwill, less amortization of NPV benefit related to assets and share of profit/(loss) of associates and joint ventures. EBITDA is not a substitute for operating profit/(loss), profit/(loss) for the year or net cash generated from operating activities as determined in accordance with IFRS. EBITDA is presented as additional information because we believe that it is widely used as a measure to evaluate a company's operating performance and financial requirements.

We also present our net debt and certain ratios based on net debt for certain periods. We define net debt as total financial debt (including financial debt associated with assets held for sale) less cash, cash equivalents, financial assets at fair value through profit and loss and LTV deposits made under our financing agreements. Net debt is provided as additional information because we believe it provides useful information regarding our financial position.

Because EBITDA and net debt are not calculated identically by all companies, our presentation of EBITDA and net debt may not be comparable to other similarly titled measures of other companies. Our discretionary use

of EBITDA, however, may be limited by working capital, capital expenditure and debt service requirements and by contractual, legal and other restrictions. For a reconciliation of EBITDA and net debt to the relevant financial measures defined in accordance with IFRS, see footnotes 10 and 13 under “Summary—Summary Financial and Operating Information.”

Exchange Rate Information

The table below sets forth for the periods indicated certain information regarding the Bloomberg Composite Rate. These rates may differ from the actual rates used in the preparation of our financial statements and other financial information appearing in this Luxembourg listing particulars.

	U.S. dollars per €1.00			Period End
	High ⁽¹⁾	Low ⁽¹⁾	Average ⁽²⁾	
Year ended December 31,				
2006	1.3343	1.1821	1.2657	1.3197
2007	1.4872	1.2893	1.3796	1.4589
2008	1.5991	1.2453	1.4710	1.3971
2009	1.5134	1.2530	1.3952	1.4321
2010	1.4513	1.1923	1.3210	1.3384
Month				
September 2010	1.3634	1.2679	1.3093	1.3634
October 2010	1.4084	1.3685	1.3900	1.3947
November 2010	1.4207	1.2983	1.3641	1.2983
December 2010	1.3414	1.3100	1.3227	1.3384
January 2011	1.3734	1.2907	1.3374	1.3694
February 2011	1.3829	1.3487	1.3662	1.3806
March 2011	1.4226	1.3777	1.4019	1.4158

(1) The high/low of each day during the relevant period.

(2) The average of the exchange rates on the last business day of each month during the relevant period.

(3) The average of the exchange rates for each business day during the relevant period.

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

This offering circular contains translations of euro amounts into U.S. dollars at the exchange rate of \$1.3362 = €1.00 (the exchange rate as of December 31, 2010 used by the Company for its audited consolidated balance sheet as of such day) solely for the convenience of the reader. These translations should not be construed as representations that the euro amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. The Bloomberg Composite Rate was \$1.4488 = €1.00 on April 14, 2011.

Industry Data

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

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Luxembourg listing particulars includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include all statements other than statements of historical facts contained in this offering circular, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we participate or are seeking to participate or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “projected,” “should,” or “will” or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Luxembourg listing particulars. In addition, even if our results of operations, including our financial condition and liquidity and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Luxembourg listing particulars, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to, the risks described under “Risk Factors.” For example, factors that could cause actual results to vary from projected future results include, but are not limited to:

- declines in demand for container shipping and related services, including declines due to global or regional economic downturns;
- competitive forces, including downward pressures on freight rates, and our ability to retain market share in the face of competition from existing and new market entrants;
- cyclical fluctuations in container vessel charter rates;
- the significant time lag between the ordering and the delivery of new vessels;
- changing trading patterns and sharpening trade imbalances;
- increases in bunker fuel prices;
- uncertainties inherent in operating internationally, including economic and political instability, boycotts or embargoes, labor unrest, changes in foreign governmental regulations, corruption and currency fluctuations;
- protectionist policies adopted by countries;
- increases in cost or lack of availability of insurance coverage;
- acts of piracy and terrorism;
- operating hazards, including marine disasters, oil spills or leaks, environmental damage, death or property damage and business interruptions caused by weather, peril of the sea, mechanical failures, war or other hostilities, piracy or hijackings, explosions, smuggling, fires or human error;
- increased costs associated with monitoring and inspection procedures aimed at preventing terrorist attacks;
- changes to competition and antitrust laws;
- changes to the liability regime for the international maritime carriage of goods;
- changes in governmental laws and regulations, including our ability to receive or renew applicable permits or licenses and ability to comply with requirements imposed by classification societies;
- risks associated with our IT systems and our ability to continue to generate operational efficiencies;
- arrest or attachment by maritime claimant;
- delays caused by port overload and congestion;

- our ability to retain old customers and attract new customers, the majority of whom we do not have contracts with;
- currency exchange rate and interest rate fluctuations;
- risks associated with hedging transactions;
- inability to participate in, or discontinuation of, the tonnage tax regime in France;
- potential conflicts of interests with shareholders;
- loss of key management personnel and highly skilled employees;
- delays, cancellations or other issues interfering with completion of newbuilding acquisitions;
- fluctuations in market value of vessels;
- risks associated with third-party contractors;
- contraction in labor supply or labor disturbances due to industrial actions;
- litigation risks;
- availability of debt financing, including under our existing financing arrangements; and
- restrictions on our excess cash flow and limitations and restrictions on our ability to operate our business under our existing financing arrangements.

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

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SUMMARY

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

Overview

Our Company

We are a leading provider of global container shipping services. In terms of capacity, we are the largest provider of container shipping services in France and the third largest in the world. We offer our services through a global network of 155 main lines and 38 feeder lines, calling at approximately 400 ports in 133 countries, with the support of more than 150 different shipping agencies operating through more than 650 offices worldwide.

As of December 31, 2010, we operated a fleet of 396 container ships with a total capacity of 1.224 million TEU, a weighted average age of 5.7 years (based on total TEU), of which we chartered 305 and owned 91. As of December 31, 2010, we maintained a 1.860 million TEU fleet of containers, of which we leased approximately 63% and owned the remainder. The market value of our owned vessels, as assessed by calculating the average of three independent ship brokers' valuations, was \$4,442.2 million, and the book value of our owned containers was \$949.6 million, both as of December 31, 2010.

We are headquartered in Marseilles and had approximately 17,500 employees worldwide as of December 31, 2010. In 2010, we transported over 9,041 thousand TEU on behalf of a globally diversified base of more than 100,000 customers (of which approximately 1,500 shipped more than 100 TEU in 2010), and had revenue of \$14.3 billion and EBITDA of \$2.5 billion.

We have an extensive network of lines and shipping agencies offering services in the principal Asia-Europe, Transpacific, Australasia, Transatlantic, Latin America, Caribbean and Africa markets, which we operate either via CMA CGM or via subsidiaries such as Australian National Container Line ("ANL"), Cheng Lie Navigation, Delmas and MacAndrews. This extensive network allows us to focus on high-volume, high-growth markets, such as Asia-Europe and Asia-North America. In China, we established operations in 1996 and now serve a broad range of 12 ports with direct calls. We have a highly developed inland transportation system and our own shipping agency with a network of 66 offices throughout China. We also utilize our extensive network to focus on high-margin, niche markets, such as the Caribbean, Adriatic Sea, Black Sea, Africa and intra-Asia markets, since we believe we can quickly establish a leading presence in these markets and achieve higher operating margins than those available in other markets.

Through our main lines, which are supported by our extensive feeder lines, we have established a diverse market mix, with no single market accounting for more than 15% of our revenues. We believe that our broad network and the variety of ports served by our main and feeder lines provide us a competitive advantage in our key areas of operation and reduce our exposure to localized declines in demand for container shipping services.

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

We also invest in port terminal facilities where we have significant operations. Through these investments, we gain preferred access to berths and greater control over port activities. We currently have interests or agreements related to 19 ports, including in or around Le Havre, Dunkirk and Marseilles/Fos (France), Malta, Tangier and Casablanca (Morocco), Antwerp and Zeebrugge (Belgium), Martinique and Guadeloupe.

Over the past 33 years, we have grown from being a regional Mediterranean carrier with a single ship into a leading provider of global container shipping services with a fleet of 396 container ships as of December 31, 2010. From 1992 to 2010, we grew from the 20th largest to the third largest container carrier in the world,

measured by capacity. From January 1, 2006 to December 31, 2010, we achieved compound annual growth rates on volumes transported of 10.9% derived primarily through organic growth, as well as through the successful integration of strategic acquisitions in niche markets, such as our acquisitions of Cheng Lie Navigation, Delmas and Compagnie Marocaine de Navigation (“Comanav”). Over the five-year period ending December 31, 2010, our volumes transported and related operational metrics have grown as indicated in the following table:

	Year ended December 31,					CAGR ⁽¹⁾
	2006	2007	2008	2009	2010	
Volumes transported (TEU thousands)	5,976	7,683	8,662	7,882	9,041	10.9%
Total fleet capacity (TEU thousands)	698	913	1,024	1,040	1,224	15.0%
Container vessels operated	286	384	395	352	396	8.4%
Container fleet (TEU thousands)	1,213	1,535	1,757	1,705	1,860	11.6%
Average freight rate ⁽²⁾	1,348.9	1,461.8	1,591.0	1,257.8	1,519.8	—

(1) Compound annual growth rate between 2006 and 2010.

(2) Average freight rate reflects shipping revenue and other transportation revenue divided by total TEU volumes transported. Such figures represent only an approximation of freight rate because other transportation revenue, among other things, includes terminal hauling and inland haulage fees which are not typically components of freight rates.

Our Industry

Container shipping was first introduced in the 1950s and has become the most common method for transporting many industrial and consumer products by sea. Global container trade has increased every year since the introduction of long-haul containerized shipping routes in the late 1960s, with the exception of 2009. Overall, container shipping has been the fastest growing sector of international shipping in the last three decades, growing at a compound annual growth rate of just over 8.0% in the period 1980-2010. Container shipping occupies an increasingly important position in world trade, benefiting from a shift in cargo transport towards unitization as well as from changes in world trade. High levels of trade growth have been sustained by a number of factors, the most notable of which is the growing separation between centers of consumption and production.

As a result of the financial crisis and the downturn in global economic activity, trade volumes declined in 2009 for the first time in the history of the industry. Compared to 2008, total volumes declined by approximately 9% in 2009. Renewed growth in the world economy in 2010 provided a boost to container demand, which was also supplemented by restocking of inventories. As a result, 2010 was a record year for the industry, with worldwide container movements growing by approximately 13%.

The downturn in demand in 2008 and 2009 also coincided with a period when supply was growing. At its peak in late 2008, the orderbook for new containerships was equivalent to almost two-thirds of the existing fleet. The industry underwent a realignment of supply and demand in 2009 and 2010 driven by cancellations of new vessel orders, slow steaming initiatives and the idling and scrapping of vessels. In January 2011 the orderbook had fallen to 26.8% of the existing fleet, which was below the average over the period 2006-2010 and below the peak of 2008 of approximately 65%.

The imbalance between supply and demand and market sentiment led to the freight market reaching a cyclical low in 2009. However, freight rates for container ships recovered strongly in 2010 and reached record high levels as market fundamentals improved. With restocking now largely complete, demand is expected to return to more normalized levels, even if favorable economic conditions persist.

Our Competitive Strengths

We believe our competitive strengths include:

Leading positions in diversified markets. We have a leading market position in the container shipping industry, including on high-volume trade routes and high margin, niche routes. We are the largest provider of container shipping services in France and the third largest in the world in terms of capacity, with total fleet capacity of 1.224 million TEU as of December 31, 2010. We have more than twice the capacity of our next competitor (source: AXS—Alphaliner December 31, 2010). We have a strong market position in the high-growth Asia-Europe market with a market share of 10.9% in terms of volume in 2010. In addition, we had a 14.1% market share on the Europe-to-Indian South Coast-Middle East trade, a 12.4% market share on the Europe Central-South American trade, a 10.5% market share on the Asia-U.S. East Coast trade and a 5.5% market share

on the Transpacific trade, in each case in terms of volume in 2010. We have also built strong, and in many cases leading, services in underserved ports and smaller markets, such as the Caribbean, the Adriatic Sea, the Black Sea and the African and the intra-Asia markets. No single market represents more than 15% of our revenues. Our leading market positions allow us to take advantage of economies of scale and strengthens our bargaining power when negotiating the terms of operational and capital expenditures, as well as financings.

Global reach and strong local presence. We operate a global container shipping network made up of 155 main lines and 38 feeder lines as of December 31, 2010, calling at approximately 400 ports in 133 countries. Our operations are supported by an extensive global network of over 150 shipping agencies operating through more than 650 strategically located and locally staffed offices worldwide, including, for example, our Chinese shipping agency, which we established in 1996 and which today operates through 66 offices. We own or have a majority stake in 114 of these shipping agencies, which accounted for approximately 95% of our volumes transported in 2010. Our network of lines and agencies connects six continents, allowing us to provide our customers with global seamless shipping services. Our agencies act as our local sales, marketing and customer service representatives. With this breadth of coverage, we can offer our customers a range of lines, scheduling alternatives and services to fulfill their container shipping requirements.

Modern and flexible fleet. As of December 31, 2010, we operated a fleet of 396 ships, of which we owned 91, chartered 71 on a long-term basis and chartered 234 on a short-term basis, with total fleet capacity of 1.224 million TEU. The weighted average age of our ships was 5.7 years (based on total TEU) as of December 31, 2010, as compared to the weighted average age for the industry of 8.1 years as of February 2011 (source: AXS Alphaliner February 2011). Approximately 83% of this capacity is on ships that are less than ten years old, compared to an average of approximately 73% of all top ten carriers in the aggregate (source: Alphaliner Monthly January 2011). In addition, the capacity of our ships range from 133 TEU to 13,830 TEU. The composition of our fleet provides us with a significant degree of flexibility in our operations. We are able to adapt the size and speed of our vessels, particularly our new technically advanced vessels with lower fuel consumption, in accordance with demand, providing us with key competitive advantages. Our use of short-term vessel charters allows us to align our cost structure with our projected demand relatively quickly. For example, we were able to not renew or renegotiate certain short-term vessel charters during the downturn, which allowed us to decrease the size and costs of our fleet in adapting to the decline in demand. Our number of chartered vessels decreased from 308 chartered vessels on June 30, 2008 to 264 chartered vessels on December 31, 2009. In addition, vessels on short-term charters are an important element of our hub-and-feeder system since the vessels that are available at lower per-TEU rates on the short-term charter market are generally smaller and better suited for feeder lines.

Extensive hub-and-feeder system. We operate an integrated hub-and-feeder system consisting of 38 feeder lines that connect with and feed cargo to other lines at our five primary hubs in the Mediterranean, Asia, the Caribbean, North Africa and the Middle East, as well as several secondary hubs along our main lines. At our hubs, containers delivered by the various feeder lines are consolidated and loaded onto larger vessels sailing on our main lines. Containers arriving from our main lines can be sent via feeder lines to local ports in the region or transshipped between main-line vessels, allowing us to provide services to a greater number of destination ports. The extent and scope of our network, together with the number of interconnections within the network, increases the range of destinations we are able to serve from any particular origination port, increases our capacity utilization since we are able to use slots multiple times on each voyage, better manages and improves utilization on the non-dominant leg trade by providing opportunities to originate cargo from a variety of ports, shortens mainline transit times by minimizing the scheduled calls on a particular line, and provides us access to niche markets.

Diversified and loyal customer base founded on strong reputation. We believe our reputation for quality and reliability, together with our global reach and leading market position, gives us an advantage over our competitors and allows us to avoid competing solely based on price. In 2010, we had over 100,000 customers (of which approximately 1,500 shipped more than 100 TEU in 2010) diversified by both geography and industry. Our customer portfolio is generally balanced between direct shippers and freight forwarders. We have developed and maintain longstanding relationships with many of our customers, including many multinational companies. Our top customers include direct shippers, such as BASF, IKEA, Renault and Samsung, and freight forwarders, such as DHL, Kühne & Nagel and Schenker. We have been successful in acquiring and retaining key account customers. For example, all our top 20 customers in 2005 remained significant customers in 2010. Our top 20 customers by volume in 2010 accounted for approximately 15% of our total volume transported, and we had no

customer that accounted for more than 2.8% of total volume in 2010. In addition, our business is spread across many geographic regions. Our diverse customer base helps to reduce the adverse effects of downturns in a particular region or industry.

Attractive industry dynamics. The container shipping industry has experienced strong growth every year since its inception with the exception of 2009. Between 1980 and 2010, container shipping transport volumes increased by a compound annual growth rate of approximately 8%. While container shipping transport volumes declined by approximately 9% in 2009 as a result of the global financial and economic crisis, container shipping transport volumes grew again, by approximately 13%, in 2010 versus 2009. After a period of excess capacity in the container shipping industry due to an increase in the number of new ship deliveries that coincided with a significant decrease in demand, the industry underwent a realignment of supply and demand in 2009. As of January 31, 2011, the current global fleet orderbook in terms of capacity, equaled 26.8% of the existing container fleet, which was below the average over the period 2006-2010 and below the peak of 2008 of approximately 65%. Increases in world trade, global sourcing and manufacturing and continuing penetration by containerized shipping of traditional shipping sectors are expected to continue to drive the growth of container shipping.

Experienced management team. We benefit from one of the most highly qualified and experienced management teams in the container shipping industry. Jacques R. Saadé, the founder of CMA S.A., has been instrumental in building the business since its inception in 1978 from a niche French container shipping services provider to a significant global business with approximately 17,500 employees as of December 31, 2010. Mr. Saadé is supported by a senior management team, some of whom have worked for us since our inception in 1978. We also selectively hire senior managers from outside our Company to provide our management team with new views, ideas and skills. Our management team is organized with a focus on broad information-sharing, timely decision-making and rapid responses to arising opportunities. Our five most senior executives have over 20 years in average of experience within the industry. We believe the expertise and skill of this team have enabled us to identify and seize upon niche markets, such as our pursuit of trades in China beginning in 1996 while other carriers were still focused on more mature markets in Asia. In addition, the expertise and skill of our management team helped to mitigate the effects of the global economic downturn on the Company. During the downturn, we deliberately reduced capacity on certain trades, such as the Asia-North America market, that were particularly affected and focused on activities on trades we expected to recover more quickly, such as Asia-North Europe. We also sought to realign the capacity of our fleet with demand, including “super slow steaming” initiatives and not extending or renegotiating certain short-term charters. As a result, only 1.5% of our capacity was idle at the peak of the downturn, compared to an industry average of 11.7% at this same time (*source: Alphaliner Monthly Monitor January 2011*). In addition, at the operational level, we rely on our experienced team of line managers to optimize the cargo mix on each ship and on each line and load vessels efficiently, with a view towards maximizing profits while maintaining a high standard of quality.

Our Strategy

Our principal strategies are as follows:

Maintain a competitive, flexible fleet. We continually upgrade the size of our main lines. For example, we more than doubled the size of our ships deployed on the Asia-North Europe trade, from 6,500 TEU to 13,830 TEU in the past seven years. At present, we expect to receive delivery of 15 container vessels between 2011 and 2014, ranging in size from 1,700 TEU to 16,000 TEU. As we introduce new very large, technically advanced ships on the Asia-North Europe main artery, other vessels can be redeployed and cascaded down to lines where they replace vessels of a lesser size, which has the effect of improving the overall efficiency and capacity of our services. We intend to continue to upgrade our main lines, as this not only offers our customers the benefits of newer, technically advanced and fuel efficient vessels, but also helps us to achieve greater operational efficiencies and economies of scale.

In addition, we intend to maintain a balanced and flexible fleet, particularly with respect to short-term chartered ships as compared to owned ships, because we believe chartered fleet capacity provides more flexibility. Through short-term charters, we are able to adjust the size of our fleet as demand fluctuates, and therefore better align our costs with demand. Furthermore, because charter rates are fixed for the duration of the charter period, our strategy of using short-term charters provides us with greater flexibility to take advantage of decreases in charter rates and therefore keep such charter rates in better alignment with freight rates. For example, during the downturn, we were able to reduce charter costs by 23% from \$18,458 per day per ship on June 30, 2008 to \$14,184 per day per ship on December 31, 2009.

Exploit organic growth opportunities. We continually seek to identify opportunities in new markets. We believe this enables us to establish leading positions in markets with comparatively high profit margins. For example, we established ourselves as early as 1996 in China when other operators were still focused on more mature Asian markets, such as Japan. More recently, in the midst of the financial crisis, we initiated a trade route providing a direct link between Asia and Mozambique, which continues to attract increasing volumes. Once we identify a new market, we dedicate sufficient resources to establish ourselves in the market, with specialized ships, extended reefer capacity or the ability to operate in shallow waters and cope with short quay lengths. We also invest in terminal operations, as we did recently in the terminal of Cai Mep in Vietnam, as well as in inland transportation and bonded dry ports. As a result, we currently maintain leading market shares on trades such as Europe-French West Indies, Europe-French Guyana and Europe-Asia-North Africa.

Enhance core activity through vertical integration. We have consistently pursued our policy to control our core maritime container transportation activity through vertical integration. For example, through our joint ventures, we own or control a network of 114 shipping agencies representing approximately 95% of our volume output. In addition, we operate our own network of feeders in the Caribbean, Mediterranean, Arabian Gulf, North Europe and Intra-Asia trades rather than using common commercial feeders. Furthermore, we own interests in various terminals which we consider key to the efficiency of our operations, including Malta, Tangier and the French West Indies. Such measures give us heightened security with respect to our positions in the markets we pursue and develop.

Expand the range of value-added services we provide to our customers. We intend to continue to develop our offering of new transportation services, such as logistics services and inter-modal container transportation services, which enable us to transport containers from door-to-door, offering customers a variety of supply chain management solutions. Customers may place orders through our CMA CGM Logistics subsidiary, for example, which coordinates activities across all stages of the supply chain, including stock management, disassembling, packaging, packing, shipping, customs formalities, reassembling and distribution. Expanding these services will enable us to provide our customers with a greater range of alternatives and will enhance our position as a full-service provider. Our focus is on providing quality services to our clients rather than the lowest price, which we believe is valued by our clients. For example, we were awarded in February 2011 the “International Carrier of the Year” from a major retailer for our innovation, quality of service and flexibility.

Continue to increase operational efficiency. We focus on increasing efficiency and reducing costs throughout our organization. For example, although our total volume transported in 2010 was approximately 18% higher than in 2007, our operating expenses were only approximately 12% higher in 2010 compared to 2007. We are continuing to invest in a modern, flexible fleet, including optimal management of short-term charter rates, to achieve greater economies of scale. Our customers are increasingly willing to enter into long-term shipping contracts, which allow us to better optimize fleet utilization and planning. Through our joint venture with IBM, we continue to develop, maintain and improve our IT systems. Such systems enable us to evaluate yield management on a real time basis, manage booking and billing, track containers and plan efficient routes and uses for our vessels. We also plan to continue to capitalize on our global information system, centered at our headquarters in Marseilles, which integrates operational and accounting information from across all our businesses. We continue to focus on cost controls, including targeted use of slow steaming to reduce bunker fuel consumption on certain trades and routes. Finally, we intend to continue to enhance internal controls, revenue collection and cost control at the point of sale by, among other things, directly owning substantially all our network of shipping agencies.

Maintain strong cash flow generation and reduce leverage. We continually seek to improve our cash flow generation through our operating model, which relies on experienced line managers to optimize profits while maintaining a high standard of quality, economies of scale derived from further growth of our business and management of our cost base. We are also committed to reducing our net debt. With our lenders we have recently agreed to a cash flow sweep mechanism under certain of our financing arrangements. At the same time, we have strengthened our balance sheet with an equity investment of \$500 million and seek further improvements through the planned sales of certain non-core assets. We therefore expect to have sufficient cash flow to support our organic growth and maintain our competitive position.

Our Turnaround

The crisis in the financial markets triggered a global economic downturn that led to a collapse of freight rates and transport volumes and resulted in significant overcapacity of vessels in our industry by the end of 2008.

Upon the onset of the crisis, we, like our competitors, adjusted our operations. For example, we cancelled or scaled back certain services that were particularly affected by the downturn, such as our Asia-Mediterranean and Asia-North America trades. In addition, we implemented “slow steaming” initiatives to cut costs and absorb capacity. Furthermore, we were able to negotiate reduced rates for, or not renew, certain short-term charters, which helped us to reduce our vessel costs. However, despite the prompt implementation of these measures, a significant deterioration in our financial performance occurred.

We had significant debt during this period, primarily relating to the financing of vessels. In 2006, we had initiated a large investment program aimed at operating a more modern and larger size fleet of vessels, with the purchase of 54 vessels between 2006 and 2008. During the height of the downturn, we suspended making principal payments under some of our financing arrangements to preserve our liquidity (while continuing to make interest payments). We therefore defaulted and separately breached certain financial covenants, under most of our financing arrangements. In addition, we sought to terminate agreements relating to purchases of non-financed vessels.

The container shipping industry significantly improved in 2010. Our transport volumes increased by 14.7% in 2010 as compared to 2009 and freight rates increased by 20.8% over that same period. Our revenue increased by 35.5% in 2010 as compared to 2009, while we also benefited from cost savings due to the implementation of the protective measures discussed above. As a result, our EBITDA in 2010 was \$2,516.5 million compared to negative \$667.3 million in 2009. We repaid all outstanding principal amounts owed under our existing financing arrangements as of December 2010 (with the exception of \$20 million unsecured debt that was rescheduled to November 2011). We also accepted delivery of 12 vessels in 2010, as well as an additional five vessels under charter arrangements.

In addition, in January 2011, we received an investment, whereby Yildirim Asset Management Holding BV, a wholly owned subsidiary of Yildirim Holding, a Turkish industrial conglomerate, purchased the ORA for a total subscription price of \$500 million. The proceeds of the Yildirim Investment were not required to be used in connection with any mandatory debt repayments and therefore were used for liquidity and general corporate purposes.

We also have been entering into amendments to the instruments governing our financial indebtedness among our principal creditors, which amendments have the effect of, among other things, waiving past defaults and harmonizing financial covenants. Pursuant to such amendments, we have committed to several actions intended to reduce our leverage and improve our liquidity. For example, we agreed to a cash flow sweep mechanism. In addition, in accordance with the amendments to our financing arrangements, we agreed to dispose of a portion of our interest in certain assets, particularly a 49% interest in Malta Freeport Terminal Ltd. and a 51% interest in CdP (which collectively represented less than 1% of our revenue in 2010), and to obtain financing for two CdP cruise ships to further strengthen our balance sheet.

We are now current in all payments under our instruments of indebtedness and we have resumed vessel financing. Following the amendments to substantially all our existing financing arrangements, and assuming we enter into the amendments reflected in the Escrow Release Conditions Precedent, we will have no remaining defaults occurring under our financing arrangements and we will be in compliance with all the financial covenants therein. We also have definitive agreements in place with respect to the financing of seven container vessels to be delivered in 2011 and 2012 and, we have a signed term sheet subject to definitive documentation and customary conditions for the financing of two container vessels to be delivered in 2012. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations— Contractual Obligations and Commercial Commitments” and “Description of Certain Financing Arrangements.”

Following the completion of the Yildirim Investment, the amendments to our financing arrangements, the issuance of the notes offered hereby and the application of the net proceeds therefrom (assuming that the Escrow Release Conditions Precedent are satisfied), as of December 31, 2010 on a pro forma basis, our net debt would have totaled \$4,865.2 million and our cash, cash equivalents, financial assets at fair value through profit and loss and LTV deposits would have totaled \$1,951.6 million.

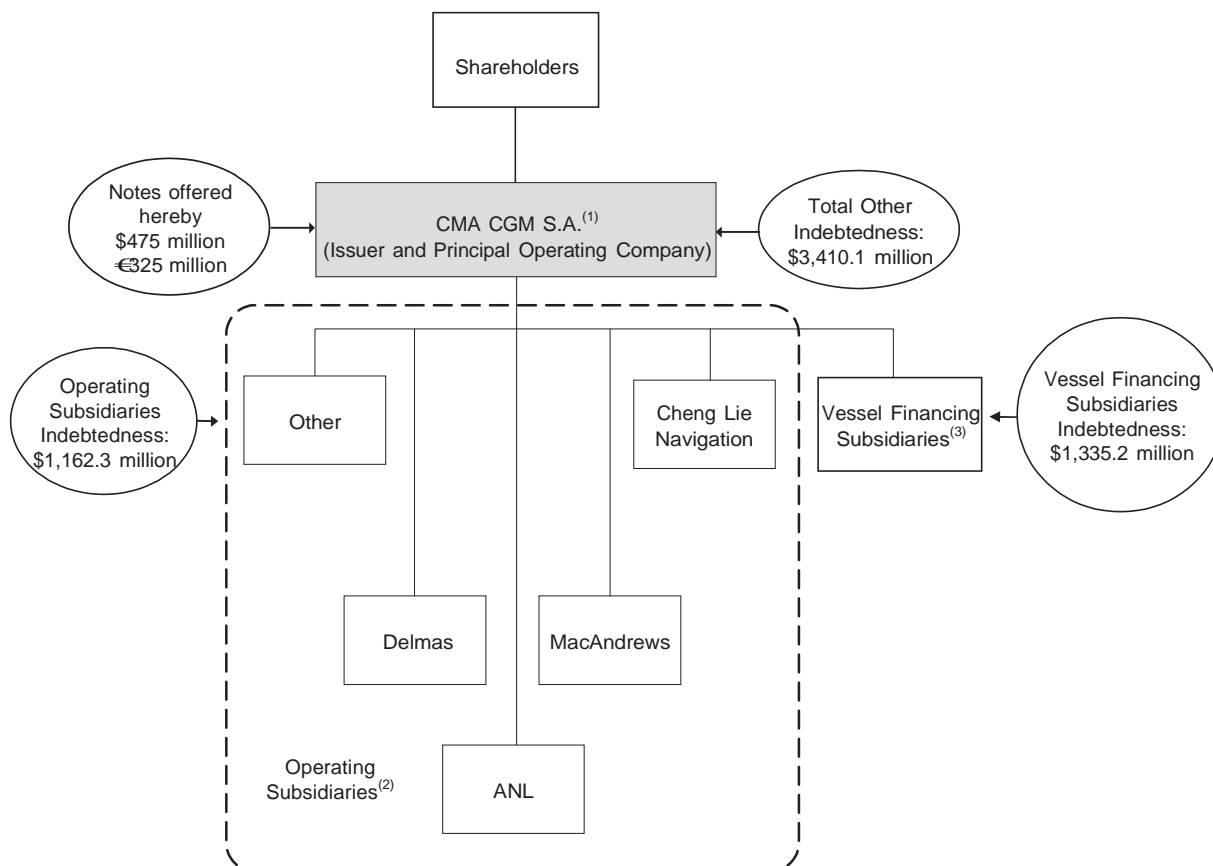
Recent Developments

Because of the usual seasonality of our industry, it is too preliminary in the year to predict our results for 2011. However, we have been experiencing favorable demand across our lines in 2011 thus far. Our current

expectation for 2011 is continued profitability, though at lower levels than in 2010 due to demand returning to more normal levels and expected declines in freight rates from the record rates in 2010. While bunker fuel costs have recently increased, we expect, consistent with current industry practice, to be able to pass most of the increase on to customers through our bunker adjustment factor as we have in the recent past (our bunker adjustment coverage for 2010 was 89.4%). We also expect increases in the rates we pay for vessel charters. To date our results have not been materially affected by current events in Japan and the Middle East, given our relatively limited activity in those jurisdictions. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

CORPORATE AND FINANCIAL STRUCTURE

The following chart shows a simplified summary of our corporate and financing structure on a pro forma basis as of December 31, 2010, after giving effect to the Yildirim Investment, the amendments to our existing financing arrangements, the issuance of the notes offered hereby and the application of the net proceeds therefrom (assuming that the Escrow Release Conditions Precedent are satisfied). The indebtedness below is based on the obligations of the principal obligor only and does not reflect the impact of any guarantees. Any indebtedness denominated in euros has been converted using the Company's balance sheet exchange rate \$1.3362 = €1.00 as of December 31, 2010. For more information, see "Principal Shareholders", "Description of Certain Financing Arrangements" and "Description of Notes".



- (1) As of and for the year ended December 31, 2010, the Issuer held 50.5% of the group's total assets, excluding investments in the stock of subsidiaries, and generated 62.8% of its revenues and 65.2% of its EBITDA.
- (2) As of and for the year ended December 31, 2010, the operating subsidiaries accounted for 31.2% of the group's total assets, excluding investments in the stock of subsidiaries, and generated 37.2% of its revenues and 34.8% of its EBITDA.
- (3) As of and for the year ended December 31, 2010, the vessel financing subsidiaries held 18.3% of the group's total assets, excluding investments in the stock of subsidiaries.

THE OFFERING

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

Issuer	CMA CGM S.A., a French <i>société anonyme</i> .
Notes Offered	\$475,000,000 aggregate principal amount of 8.500% Senior Notes due 2017 (the “dollar-denominated notes”). €325,000,000 aggregate principal amount of 8.875% Senior Notes due 2019 (the “euro-denominated notes” and, together with the dollar-denominated notes, the “notes”).
Issue Price	Dollar-denominated notes:100%, plus accrued interest if any. Euro-denominated notes:100%, plus accrued interest if any.
Issue Date	April 21, 2011.
Maturity	The dollar-denominated notes will mature on April 15, 2017. The euro-denominated notes will mature on April 15, 2019.
Interest Rate	The dollar-denominated notes will bear interest at a rate of 8.500% per year. The euro-denominated notes will bear interest at a rate of 8.875% per year.
Interest Payment Dates	April 15 and October 15, beginning on October 15, 2011.
Escrow of Proceeds	Initially, the net proceeds of this offering of the dollar-denominated notes and the euro-denominated notes, together with additional amounts in cash necessary to redeem the dollar-denominated notes and the euro-denominated notes so that the total amounts will equal (i) 101% of the issue price of the dollar-denominated notes, plus the accrued interest to, but not including, the date of redemption (the “Dollar Escrow Redemption Price”) and (ii) 101% of the issue price of the euro-denominated notes, plus the accrued interest to, but not including, the date of redemption (the “Euro Escrow Redemption Price”), will be deposited in designated escrow accounts denominated in dollars and Euro, as applicable (together, the “Escrow Account”) with The Bank of New York Mellon, London Branch, as escrow agent (the “Escrow Agent”). The funds held in the Escrow Account will be released upon the earlier of (i) the date that is 60 days after issuance of the notes (the “Escrow Redemption Date”) and (ii) the date on which the escrowed funds are released to the Issuer upon delivery by the Issuer to the Escrow Agent and the Trustee of a company certificate signed by two members of the Issuer’s board of directors certifying that, on or prior to the Escrow Redemption Date, the Escrow Release Conditions Precedent are satisfied. See “Description of Notes—Escrow Arrangements.”
Special Redemption (Escrow)	In the event that (i) satisfaction of the Escrow Release Conditions Precedent (the date of such satisfaction, the “Completion Date”) does not take place on or prior to the Escrow Redemption Date or (ii) the Issuer determines, in its sole discretion, that the Escrow Release Conditions Precedent will not be satisfied on or prior to the Escrow Redemption Date and gives written notice and instruction to the Trustee and the Escrow Agent that it has elected to exercise the special optional redemption provisions, the funds in the Escrow

Account will be released for the purpose of effecting the redemption of the dollar-denominated notes at the Dollar Escrow Redemption Price and the euro-denominated notes at the Euro Escrow Redemption Price. See “Description of Notes—Special Redemption.” Any excess funds remaining in the Escrow Account after the Special Redemption will be released to the Issuer.

Ranking The notes will be our unsecured senior obligations and will:

- rank senior in right of payment to all our existing and future debt and obligations that are, by their terms, expressly subordinated in right of payment to the notes;
- rank equally in right of payment to all our existing and future senior debt and obligations that are not, by their terms, expressly subordinated in right of payment to the notes;
- be effectively subordinated in right of payment to all our existing and future secured indebtedness, to the extent of the value of the assets securing such debt; and
- be structurally subordinated to all existing and future debt and obligations of our subsidiaries.

As of December 31, 2010, on a pro forma basis after giving effect to the Yildirim Investment, the amendments to our existing financing arrangements, the issuance of the notes offered hereby and the application of the net proceeds therefrom (assuming that the Escrow Release Conditions Precedent are satisfied) as described herein under “Use of Proceeds,” we would have had approximately \$6,816.8 million of total indebtedness, of which approximately \$4,154.3 million was secured indebtedness, \$1,162.3 million was debt of our operating subsidiaries and \$1,335.2 million was debt of our vessel financing subsidiaries (based on the obligations of the principal obligor only and not reflecting the impact of any guarantees).

As of and for the year ended December 31, 2010, the Issuer held 50.5% of the group’s total assets, excluding investments in the stock of its subsidiaries, and generated approximately 62.8% of its revenues and 65.2% of its EBITDA.

Optional Redemption At any time prior to April 15, 2014, we may redeem all or part of the dollar-denominated notes at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium described in this Luxembourg listing particulars and accrued and unpaid interest to the date of redemption. At any time prior to April 15, 2015, we may redeem all or part of the euro-denominated notes at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium described in this Luxembourg listing particulars and accrued and unpaid interest to the date of redemption. For more information, see “Description of Notes—Optional Redemption.”

In addition, at any time prior to April 15, 2014, we may redeem up to 35% of the aggregate principal amount of each of the euro-denominated notes and the dollar-denominated notes with the net cash proceeds from specific equity offerings at a redemption price equal to 108.500% of the principal amount of the dollar-denominated notes and 108.875% of the principal amount of the euro-denominated notes, in each case, plus accrued and unpaid interest, if any, to the redemption date provided that at least 65% of the aggregate principal amount of

the notes (including any Additional Notes (as defined herein)) originally issued remain outstanding after the redemption. For more information, see “Description of Notes—Optional Redemption.”

We may redeem the dollar-denominated notes on or after April 15, 2014, in whole or in part, at our option at the redemption prices set forth under the caption “Description of Notes—Optional Redemption,” plus accrued and unpaid interest, if any. We may redeem the euro-denominated notes on or after April 15, 2015, in whole or in part, at our option at the redemption prices set forth under the caption “Description of Notes—Optional Redemption,” plus accrued and unpaid interest, if any. For more information, see “Description of Notes—Optional Redemption.”

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

Change of Control Upon the occurrence of a “Change of Control,” you will have the right, as holders of the notes, to require us to repurchase some or all of your notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of the purchase. For a summary of what constitutes a Change of Control, see “Description of Notes—Purchase of Notes upon a Change of Control.”

We may not be able to pay you the required price for notes you present to us at the time of a Change of Control, because:

- we may not have enough funds at that time; or
- the terms of our senior debt may prevent us from making such payment.

Covenants The Indenture contains covenants for the benefit of the holders of the notes that include, subject to important limitations and exceptions, restrictions on our ability and the ability of our Restricted Subsidiaries to:

- incur additional debt;
- create liens on assets to secure debt;
- make payments, including dividends or other distributions, with respect to shares of the Issuer or the Restricted Subsidiaries;
- prepay or redeem subordinated debt or equity;
- make investments;
- create restrictions on the payment of dividends or other distributions to and on the transfer of assets to the Issuer or any other Restricted Subsidiary;
- sell, lease or transfer certain assets, including shares of Restricted Subsidiaries;
- engage in transactions with affiliates;

- in the case of a Restricted Subsidiary, guarantee our debt;
- designate our subsidiaries as unrestricted subsidiaries; and
- consolidate or merge with or into, or sell or otherwise dispose of all or substantially all our assets to, another person.

Certain covenants will be suspended after the notes obtain investment grade ratings from two of Moody’s Investors Service, Inc., Standard & Poor’s and Fitch Ratings Ltd.

For more information, see “Description of Notes.”

Transfer Restrictions	We have not registered the notes under the Securities Act or the securities laws of any other jurisdiction and we do not intend to do so. Consequently, you may not offer or sell the notes within the United States except pursuant to an exemption from, or in a transaction not subject to, the Securities Act or in other jurisdictions except under an exemption from, or in a transaction not subject to, the applicable securities laws of such other jurisdictions. See “Plan of Distribution” and “Notice to Investors.”
Use of Proceeds	Assuming the Escrow Release Conditions Precedent are satisfied, we expect the net proceeds from the offering of the notes (less the early redemption premium of and accrued interest on the Senior Notes due 2012 and the Senior Notes due 2013) to be approximately \$859.7 million, after deducting the initial purchasers’ discounts and the estimated offering expenses payable by us. We expect to use the net proceeds of the notes offered hereby to refinance all our Senior Notes due 2012 and Senior Notes due 2013 and for general corporate purposes.
No Prior Market	The notes will be new securities. Accordingly, we cannot assure you as to whether a market for the notes will develop or be maintained or as to the liquidity of any such market. While the initial purchasers have informed us that they currently intend to make a market in the notes, they are not obligated to do so and they may discontinue market-making activities in their sole discretion at any time without notice.
Trustee, Escrow Agent, Principal Paying Agent, and Transfer Agent	The Bank of New York Mellon, London Branch.
Luxembourg Listing Agent, Luxembourg Transfer Agent, Luxembourg Paying Agent and Registrar	The Bank of New York Mellon (Luxembourg) S.A.
U.S. Paying Agent and Transfer Agent ..	The Bank of New York Mellon, New York Branch.
Listing	Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market of the Luxembourg Stock Exchange.
Governing Law	New York law.

Risk Factors

Investing in the notes involves risks. You should consider carefully the information set forth in the section of this Luxembourg listing particulars entitled “Risk Factors,” beginning on page 19, and all the other information provided to you in this Luxembourg listing particulars before deciding whether to invest in the notes.

Additional Information

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

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following table presents summary consolidated financial and operating information for the Company, at the dates and for the periods indicated. The summary historical consolidated financial information for each of the years ended December 31, 2006, 2007, 2008, 2009 and 2010 is derived from our audited consolidated financial statements prepared in accordance with IFRS. Our audited consolidated financial statements for the years ended December 31, 2010 and 2009 are included elsewhere in this Luxembourg listing particulars. Our audited consolidated financial statements for the years ended December 31, 2008 and 2007 are incorporated by reference herein and available at the specified office of the Luxembourg Paying Agent.

We have also included certain pro forma financial data in the tables below to give effect to the Yildirim Investment and, assuming that the Escrow Release Conditions Precedent are satisfied, the amendments to our existing financing arrangements and the issuance of the notes offered hereby and the application of the net proceeds therefrom as described herein under “Use of Proceeds.”

You should read this summary consolidated financial and operating information along with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements included elsewhere in this Luxembourg listing particulars.

	Year ended December 31,				
	2006 ⁽¹⁾	2007 ⁽¹⁾	2008	2009	2010
	(\$ millions)				
Consolidated Income Statement Data					
Revenue	8,420.2	11,779.0	15,094.8	10,543.3	14,290.9
Operating expenses ⁽²⁾	(7,779.5)	(10,510.4)	(13,930.4)	(11,285.6)	(11,780.2)
Gains/(losses) on disposal of property, equipment and subsidiaries	12.6	15.8	96.2	74.9	5.7
Profit before depreciation, amortization, impairment of losses and income from associates and jointly controlled entities	653.3	1,284.3	1,260.7	(667.3)	2,516.5
Depreciation, amortization of non-current assets	(246.1)	(281.6)	(313.6)	(333.1)	(364.7)
Impairment of assets and risks associated to vessels and negative goodwill ⁽³⁾	—	53.6	—	(499.5)	(51.6)
Amortization of NPV benefit related to assets	38.6	38.5	35.5	43.5	54.5
Share of profit (loss) of associates and joint ventures	2.7	31.7	16.9	(30.0)	10.1
Operating profit/(loss)	448.6	1,126.6	999.5	(1,486.4)	2,164.8
Cost of net debt	(162.5)	(175.6)	(224.7)	(268.7)	(276.0)
Other financial items ⁽⁴⁾	394.0	83.0	(849.0)	309.1	(210.9)
Income taxes	(56.3)	(48.0)	198.2	15.4	(23.8)
Profit/(loss) for the year	623.8	986.0	124.0	(1,430.6)	1,654.0

	As of December 31,				
	2006 ⁽¹⁾	2007 ⁽¹⁾	2008	2009	2010
	(\$ millions)				
Consolidated Balance Sheet Data					
Intangible assets	272.2	604.2	645.9	756.0	722.4
Vessels	3,313.3	3,933.5	4,649.7	4,882.0	5,519.0
Containers	675.4	1,053.0	1,109.8	1,021.3	949.6
Land and buildings	176.1	327.3	535.6	648.7	669.3
Other property and equipment	149.9	186.8	215.3	287.3	364.2
Other non-current assets ⁽⁵⁾	194.9	393.6	1,091.5	1,172.7	1,282.2
Inventories	144.4	297.2	202.6	321.6	405.0
Trade and other receivables	1,488.1	3,457.1	2,268.3	1,943.2	2,031.6
Financial assets at fair value through profit and loss	382.8	546.9	76.7	40.6	28.5
Cash and cash equivalents	1,478.3	1,998.1	1,877.0	589.9	538.7
Other current assets ⁽⁶⁾	684.3	1,773.7	716.3	288.2	284.1
Assets classified as held-for-sale	179.3	578.0	244.5	256.4	473.1
Total assets	9,138.9	15,149.5	13,633.3	12,207.9	13,267.7
Total equity	2,613.5	3,701.3	2566.3	1,987.9	3,476.6
Financial debt non-current portion	2,481.8	3,915.0	4,303.6	1,038.3	1,291.8
Other non-current liabilities ⁽⁷⁾	274.3	283.3	1,181.8	616.0	505.3
Financial debt current portion ⁽⁸⁾	1,168.2	866.3	949.0	5,174.6	4,298.9
Other current liabilities ⁽⁹⁾	2,454.0	5,982.4	4,535.9	3,338.9	3,360.1
Liabilities associated with assets classified as held-for-sale	147.1	401.4	96.8	52.2	335.0
Total liabilities & equity	9,138.9	15,149.5	13,633.3	12,207.9	13,267.7

	Year ended December 31,				
	2006 ⁽¹⁾	2007 ⁽¹⁾	2008	2009	2010
	(\$ millions)				
Consolidated Cash Flow Statement Data					
Cash inflow (outflow) from:					
Operating activities	678.3	1,470.0	644.0	(947.5)	1,677.8
Investing activities	(917.5)	(1,914.6)	(1,711.2)	(615.2)	(1,047.2)
Financing activities	912.8	937.7	606.7	112.7	(512.5)
Net increase (decrease) in cash, cash equivalents and bank overdrafts	699.8	518.0	(498.8)	(1,434.2)	120.0
Cash, cash equivalents and bank overdrafts at the end of the year	1,435.0	1,953.0	1,820.6	386.5	506.4

	Year ended December 31,				
	2006 ⁽¹⁾	2007 ⁽¹⁾	2008	2009	2010
	(\$ millions, except for ratios and percentages)				
Other Consolidated Financial Data					
EBITDA ⁽¹⁰⁾	653.3	1,284.3	1,260.7	(667.3)	2,516.5
EBITDA margin ⁽¹¹⁾	7.8%	10.9%	8.4%	(6.3%)	17.6%
Chartering expenses	1,056.0	1,584.7	1,876.4	1,528.6	1,390.7
Capital expenditures ⁽¹²⁾	1,823.1	2,224.5	2,387.6	1,313.7	1,376.0
Net debt ⁽¹³⁾	1,902.6	2,590.8	3,193.6	5,367.5	5,033.8
Pro forma net debt ⁽¹⁴⁾					4,865.2
Pro forma net interest expense ⁽¹⁵⁾					360.2
Ratio of pro forma net debt to EBITDA					1.93x
Ratio of EBITDA to pro forma net interest expense					6.99x

	Year ended December 31,				
	2006	2007	2008	2009	2010
	(TEU thousands, except number of ships and average freight rate)				
Operational Data					
Volumes transported	5,976	7,683	8,662	7,882	9,041
Total fleet capacity	698	913	1,024	1,040	1,224
Container fleet	1,213	1,535	1,757	1,705	1,860
Number of owned container ships	87	110	98	85	91
Capacity of owned container ships	263.3	308.1	295.0	336.8	441.0
Number of chartered container ships	199	274	297	267	305
Capacity of chartered container ships	433.9	605.1	728.1	703.2	782.7
Average freight rate (\$/TEU) ⁽¹⁶⁾	1,348.9	1,461.8	1,591.0	1,257.8	1,519.8

(1) Years 2006 and 2007 have not been restated following the adoption of IFRIC 12 "Service Concession Arrangements." See note 2.2 to the consolidated financial statements as of December 31, 2010 and 2009 included elsewhere in this Luxembourg listing particulars.

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

	Year ended December 31,				
	2006 ⁽¹⁾	2007 ⁽¹⁾	2008	2009	2010
	(\$ millions)				
Bunkers and consumables	1,412.9	2,134.3	3,525.9	2,384.7	2,714.6
Chartering and slot purchase	1,250.3	1,732.8	2,304.0	1,649.8	1,597.1
Handling and stevedoring	1,656.0	2,144.4	2,728.9	2,434.5	2,762.1
Transportation	870.7	1,239.7	1,565.0	1,165.3	1,174.5
Port and canal	582.5	830.2	958.2	912.1	954.0
Logistic	705.9	857.8	858.7	786.6	863.7
Employee benefits	673.5	872.6	1,089.9	1,019.5	989.5
General and administrative other than employee benefits	370.1	553.3	715.4	637.4	609.1
Subtractions (additions) to provisions and allowances, net of reversals and impairment of inventories and trade receivables	24.5	0.7	(10.6)	62.9	(4.0)
Operating exchange losses/(gains), net	(29.1)	(19.7)	(6.5)	44.3	(29.0)
Other operating expense, net	262.2	164.5	201.4	188.4	148.6
Operating expenses	7,779.5	10,510.4	13,930.4	11,285.6	11,780.2

(3) Includes negative goodwill of \$53.6 million as recognized in 2007 in connection with the acquisition of Cheng Lie Navigation.

(4) "Other financial items" primarily includes changes in fair value and settlement of derivative instruments that do not qualify for hedge accounting. See note 10 to the consolidated financial statements as of December 31, 2010 and 2009 included elsewhere in this Luxembourg listing particulars.

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

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

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

- (8) Financial debt for which a breach of covenants was declared as of December 31, 2010 is presented as current. As disclosed elsewhere in this Luxembourg listing particulars, subsequent to December 31, 2010 and upon satisfaction of the Escrow Release Conditions Precedent we will have entered into amendments waiving or curing these past breaches of covenants. As a result of these amendments, \$3,055.1 million of our financial debt would have been reclassified as non-current.
- (9) "Other current liabilities" represents derivative financial instruments, current portions of provisions, trade and other payables and current deferred income.
- (10) EBITDA represents operating profit/(loss), plus depreciation and amortization of non-current assets, impairment of assets and risks associated to vessels and negative goodwill, less amortization of NPV benefit related to assets and share of profit/ (loss) of associates and joint ventures. EBITDA is not a substitute for operating profit/(loss) for the year or net cash generated from operating activities as determined in accordance with IFRS. EBITDA is presented as additional information because we believe that it is widely used a measure to evaluate a company's operating performance and financial requirements. Because EBITDA is not calculated identically by all companies, our presentation of EBITDA may not be comparable to other similarly titled measures of other companies. Our discretionary use of EBITDA, however, may be limited by working capital, capital expenditure and debt service requirements and by contractual, legal and other restrictions. The following table presents the reconciliation of EBITDA to operating profit/(loss):

	Year ended December 31,				
	2006 ⁽¹⁾	2007 ⁽¹⁾	2008	2009	2010
	(\$ in millions)				
Operating profit/(loss)	448.6	1,126.6	999.5	(1,486.4)	2,164.8
Plus: Depreciation, amortization of non-current assets	246.1	281.6	313.6	333.1	364.7
Plus: Impairment of assets and risks associated to vessels and negative goodwill	—	(53.6)	—	499.5	51.6
Less: Amortization of NPV benefit related to assets	(38.6)	(38.5)	(35.5)	(43.5)	(54.5)
Less: Share of profit/(loss) of the associates and joint ventures	(2.7)	(31.7)	(16.9)	30.0	(10.1)
EBITDA	653.3	1,284.3	1,260.7	(667.3)	2,516.5

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

	Year ended December 31,				
	2006 ⁽¹⁾	2007 ⁽¹⁾	2008	2009	2010
	(\$ millions)				
Ships	1,397.5	1,462.4	1,608.3	950.0	1,123.3
Containers	221.8	492.5	381.7	0.8	23.8
Software	30.5	48.2	89.9	98.0	19.0
Other	173.3	221.4	307.7	264.8	209.9
Total	1,823.1	2,224.5	2,387.6	1,313.7	1,376.0

- (13) Net debt represents total debt (including financial debt associated with assets classified as held for sale) less cash and cash equivalents, financial assets valued at fair value through profit and loss and LTV deposits presented within other financial assets. Certain of our financing arrangements require cash deposits as collateral when the loan to fair market value ratios of our vessels are below a certain level. The cash deposits are held as collateral for the related financing and, accordingly, we have deducted the deposits for the purpose of determining net debt. The following table presents the reconciliation of net debt:

	As of December 31,				
	2006 ⁽¹⁾	2007 ⁽¹⁾	2008	2009	2010
	(\$ in millions)				
Total debt (current and non-current portion) ...	3,650.0	4,781.2	5,252.6	6,212.9	5,590.7
Plus: Financial debt associated with assets classified as held for sale	147.1	401.4	52.8	19.6	283.5
Less: Cash and cash equivalents	1,478.3	1,998.1	1,877.0	589.9	538.7
Less: Financial assets at fair value through profit and loss	382.8	546.9	76.7	40.6	28.5
Less: LTV deposits	33.4	46.8	158.0	234.5	273.2
Net debt	1,902.6	2,590.8	3,193.6	5,367.5	5,033.8

- (14) Pro forma net debt represents net debt, adjusted to reflect (i) the additional financial obligations associated with the portion of the Yildirim Investment classified as debt (as per IFRS, which classifies only a portion of the Yildirim Investment as debt, unlike the indentures for the notes offered hereby), (ii) the pro forma effect of amendments to our existing financing arrangements totaling approximately \$4.8 billion (including borrowings of an estimated additional \$264.0 million for the financing of certain vessels delivered in 2010) assuming that the Escrow Release Conditions Precedent are satisfied and (iii) the issuance of the notes offered hereby and the use of the net proceeds therefrom (assuming that the Escrow Release Conditions Precedent are satisfied), in each case as if such events had occurred on December 31, 2010. See “Use of Proceeds” and “Capitalization.”
- (15) Pro forma net interest expense represents cost of net debt, adjusted to reflect (i) the annual interest expense associated with the Yildirim Investment as per IFRS, (ii) the amendments to our existing financing arrangements (including increases in margins on certain financings and borrowings of an estimated additional \$264.0 million for the financing of certain vessels delivered in 2010) assuming that the Escrow Release Conditions Precedent are satisfied, (iii) the elimination of costs recognized in 2010 in relation to our financial restructuring and (iv) the issuance of the notes offered hereby and the use of the net proceeds therefrom (assuming that the Escrow Release Conditions Precedent are satisfied), in each case as if such events had occurred on January 1, 2010. For purposes of this calculation, interest on the euro-denominated notes and on the Senior Notes due 2012 has been converted into U.S. dollars at an exchange rate of \$1.3362 = €1.00 (the exchange rates of December 31, 2010 used by the Company for its audited consolidated balance sheet as of such day). Using an exchange rate of \$1.4488 = €1.00 (exchange rate as of April 14, 2011, as reported by Bloomberg), would result in an increase in interest expense on the euro-denominated notes (expressed in U.S. dollars) of \$3.25 million. See “Use of Proceeds” and “Capitalization.”
- (16) Average freight rate reflects shipping revenue and other transportation revenue divided by total TEU volumes transported. Such figures represent only an approximation of our freight rate because other transportation revenue includes, among other things, terminal hauling and inland haulage fees which are not typically components of freight rates.

RISK FACTORS

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

This Luxembourg listing particulars also contains “forward-looking” statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this offering circular. Please see “Forward-Looking Statements.”

Risks Relating to Our Business

The highly cyclical nature of supply and demand in the container shipping industry exacerbates the impact of economic downturns and can have a material adverse effect on our financial results and condition.

The container shipping industry has historically exhibited highly cyclical economic conditions, with high volatility in freight rates, primarily due to fluctuations in the demand for container shipping services and the global supply of capacity. Changes in the demand for container shipping are difficult to predict and are generally beyond our control. In addition, because freight rates and other items can vary significantly from line to line, our profitability for any given period can be affected by a change in the geographic mix of the lines from which we generate revenue during that period. Consequently, regional changes in demand can have a disproportionate impact on our results of operations during that period. Demand is influenced by, among other factors, global and regional economic growth, the shift in manufacturing away from centers of consumption, the demand for consumer goods in North America and Europe and changes in the regulatory regimes affecting shipping. The global supply of capacity is determined by the number and size of container ships in the world (including the charter market), their deployment into trades, the delivery of new ships, the conversion of container ships to other uses and the scrapping of older ships as well as by the availability of containers. In the past two years, dynamic capacity has also been affected by slow steaming and super-slow steaming initiatives as reduced average speed required more ships on a given trade to maintain the same schedule. If individual competitors, or the industry as a whole, were to end slow steaming, dynamic capacity would increase significantly.

Historically, carriers have responded to periods of high demand for container shipping services and increasing freight rates by investing in new vessels and containers. These investments tend to lead to lower freight rates as newly available vessel and container capacity catches up with, and possibly exceeds, demand for container shipping services. Further, as vessels generally have an economic life of at least 20 years and must be ordered two to three years in advance, there can be periods of excess or deficit capacity relative to the demand for shipping transport volumes, and the lengthy nature of the ordering and construction process means that new capacity may enter the market after demand has already peaked so that it can often take several years to correct a market imbalance. Increases in capacity or decreases, or lower than anticipated increases, in the demand for container shipping can lead to significantly lower freight rates, reduced shipping transport volume or a combination of the two, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, during times of weak demand, we may be unable to always use the full capacity of our vessels or to maintain the freight rates required to avoid adverse effects on our margins, which may in itself have a material adverse effect on our business, financial condition and results of operations. Accordingly, the container shipping industry tends to be disproportionately affected during economic downturns. The current orderbook for new vessels represents approximately 13% of current capacity for deliveries in 2011 and 26.8% of current capacity for deliveries from 2011 through 2014.

The global financial and economic crisis hit the container shipping industry particularly strongly in the second half of 2008 and in 2009. The sharp fall in global economic output resulted in a substantial decrease in world trade and, therefore, transport volumes. Following growth rates that had reached in excess of 10% in 2006 and 2007, container traffic fell by approximately 9% in 2009, as compared with 2008. At the same time, the addition of newly built ship capacities, which had been ordered in the preceding boom years, resulted in substantial overcapacity in 2009. This, in turn, led to significantly lower freight rates. In 2009, the average freight

rate on East-West routes totaled \$1,135 per TEU, 30.0% lower than the average freight rate in 2008 (source: Drewry 2Q 2010). The combined effect of reduced demand and the fall in freight rates led to a decline in our revenues of 30.2% for the year ending December 31, 2009 as compared with the previous year, leading to a strongly negative development in earnings and liquidity.

The recent market upturn may not continue in the future.

In 2010, both demand and freight rates increased significantly, driven notably by restocking of inventory, resulting in an increase in our revenues of 35.5% for the year ending December 31, 2010 as compared with the previous year. Projections for 2011 indicate that volumes will continue to increase, although at a more moderate pace (Source: Drewry Q4 2010 Report). In addition, freight rates are expected to decline. Orders are also increasing for more new container ships, and the improved balance between supply and demand in the industry cannot be expected to continue. With restocking presumably largely complete now, demand is expected to return to more normal levels, even if favorable economic conditions persist. While we believe the container shipping industry has recovered from the global economic downturn, there can be no assurance that the recovery in the global economy or the improvement in the container shipping industry will continue. Furthermore, there are differences in the recovery of transport volumes and freight rates among the different lines which we operate, and the continued recovery of our transport volumes and freight rates is dependent on the activity of those lines. The global economy is subject to considerable uncertainties and if it experiences a further recession or other general downturn, there could be another significant decline in container shipping transport volumes and related revenues on a global basis, possibly at a time in which we are scheduled to receive the delivery of newly built vessels and incur the related capital expenditures for such vessels. If such scenario materializes, it would materially and adversely affect our business, financial condition and results of operations.

Our industry is highly competitive, which may result in downward pressure on our freight rates and shipping volumes.

The container shipping business is highly competitive. Competition with other carriers is primarily on a line-by-line, not global, basis. We compete with other carriers on most of our lines. In particular, we face strong competition on our westbound Asia-Europe lines and on our eastbound Transpacific lines. In most cases, we do not have exclusive agreements with our customers. Thus, customers could, depending on overall supply available on the market, opt for the services of our competitors on all or some trades without facing substantive constraints. Any of our many competitors may choose to establish lines on the same routes as our established lines and attempt to undercut our freight rates on those routes. There are few competitive barriers for existing container carriers wishing to enter or expand their presence in a regional market or on a particular line.

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

Some of our competitors are larger than we are in terms of revenues, container shipping transport volumes and capacity and some of these and other competitors have greater financial resources. Such competitors may be better positioned to achieve, maintain and exploit economies of scale and invest in larger and technologically more advanced vessels and may thus be able to offer more attractive schedules, services and rates. Smaller competitors have different advantages, often relying on co-operation arrangements for sufficient slot availability and avoiding the cost of owning and chartering their own vessels.

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

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

A ship charter is the lease of a ship for a specified period of time at a fixed price. As of December 31, 2010, 63.9% of our total capacity was held under ship charters, with 33.7% held under short-term charters (less than two years). As of December 31, 2010, in addition to the 91 container ships that we own, we had 71 container ships on long-term charters and 234 container ships on short-term charters. As a general matter, we utilize

chartered ships as a greater proportion of our total capacity than our competition, which we believe provides us greater flexibility in the management of our capacity, but also exposes us to a larger extent to the possibility of rising ship charter rates in the future. As charter rates (and short-term charter rates in particular) tend to fluctuate significantly in response to market participants' perceptions of supply and demand on the shipping markets, adding additional chartered-in capacity at current market rates in times of strong demand is likely to be more expensive than the cost of owned vessel capacity. Furthermore, we cannot be certain that vessel charter rates will not rise materially in the future. If ship charter rates increase materially, we may face higher operating costs than our competitors, many of whom own a greater percentage of their fleets than we do. In addition, we may not be able to pass on such increased operating costs to our customers, which would adversely affect our margins and results of operations. Further, large vessels are scarce in the vessel charter market; if, as we need them, we are unable to charter large vessels cost-effectively or at all, we may be forced to substitute smaller vessels on applicable lines and the competitiveness and the profitability of these lines may be negatively affected. Our financial results in 2010 benefited from low charter rates we negotiated during the industry trough in 2009, and as we renew and negotiate new charter rates, the rates we pay will increase, making it unlikely that we can repeat our strong financial performance in 2010.

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

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

Orders for new vessels, whether to be owned, leased or chartered, must currently be placed two to three years in advance. Because part of the orders are based on current expectations of future demand, a container shipping company is subject to the inherent risk that it will order either too much or too little vessel capacity for future demand, as well as to the related risk of misallocating capital expenditure. If we do not invest sufficiently in additional shipping capacities, we may be faced with the choice of either not being able to satisfy our customers' demand for our services (leading to lost revenues and market share and, potentially, strained customer relations or even a loss of customers) or charter in additional vessels via the charter market at potentially higher charter rates during phases of strong demand. If, on the other hand, we overinvest in additional container shipping capacity that we are not able to fully utilize during weaker market conditions, this would increase our costs relative to the development of our revenues. Either scenario could have a material adverse effect on our business, financial condition and results of operations. The recent downturn in the container shipping market was particularly challenging for us as we had initiated a large investment program in vessels in 2006, which resulted in significant capital expenditures during a period of significant decline in our revenues. We then responded by canceling or delaying a number of orders for new vessels, which now exposes us to the risk of not having enough new vessels to meet any increase in demand going forward and remaining competitive.

Changing trading patterns and sharpening trade imbalances may adversely impact our cost structure.

The capacity utilization of our container vessels varies depending on the dominant trade flows between different world regions. Vessel capacity utilization is generally higher when transporting cargo from net export regions to net import regions (i.e., the dominant leg). Considerable losses result from having to transport empty containers on the non-dominant leg without generating corresponding freight revenues. Our profitability will suffer to the extent we are not able to successfully manage and minimize the costs resulting from the non-dominant leg trade. Furthermore, sharpening imbalances in world trade patterns (i.e., rising trade deficits of net importers vis-à-vis net export regions) may exacerbate the imbalances between the dominant and non-dominant legs of our services. This could have a material adverse effect on our business, financial condition and results of operations.

Increases in bunker fuel prices may significantly increase our costs of operations.

The cost of marine or bunker fuel is one of our major operating costs, representing 18.4% of our revenue in the year ended December 31, 2010. The price of bunker fuel is correlated with crude oil prices, which in turn have historically exhibited significant volatility in short periods of time and have recently been at or close to historic highs. Furthermore, crude oil prices are influenced by a host of economic and geopolitical factors, such as global terrorism, political instability, tensions in the Middle East, insurrections in the Niger Delta, a long-term increase in global demand for oil and the economic development of emerging markets, China and India in particular. For example, due to the recent political instability in the Middle East, fuel prices have increased by 20.4% between January 1 and February 28, 2011 (source: IPE e-Brent). We are required to use higher quality bunker fuels on an increasing number of our services due to changing environmental requirements, which also increases our fuel costs. Although, in accordance with current industry practice, we have been successful in passing through the majority of bunker fuel price increases to our container shipping customers through surcharges, we may not be successful in passing on future price increases in a timely manner, for the full amount, or even partially. As a result, a prolonged increase in crude oil and bunker fuel prices could lead to significant increases in operating costs and adversely affect our results of operations, especially if we are unable to raise rates or impose surcharges to recover these cost increases from customers. The implementation and degree that bunker fuel costs can be passed through depends on existing market conditions, among other factors. In 2010, we were able to pass 89.4% of our bunker fuel costs onto our customers. We estimate that for 2010 a 10% increase in the spot purchase price of bunker fuel would have negatively impacted our EBITDA by approximately \$41 million (exclusive of the impact of any commodity hedges) and assuming we would have been able to pass on to customers 85% of that increase (versus 89.4% passed on in 2010). In 2009, because of lower bunker fuel prices and our less frequent application of the bunker fuel adjustment due to market conditions and lingering contractual commitments, we passed on to customers approximately 68.5% of our bunker fuel costs. In 2008, we passed on approximately 77.1% of bunker fuel increases to customers. We now only hedge ourselves against a small percentage of changes in crude oil prices, which means that we are currently more dependent upon our ability to pass increases in bunker fuel prices to our customers. Our competitors who are able to successfully hedge themselves against higher fuel prices will have an advantage, and this may put pressure on our operating margins and market share.

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

We operate in various countries around the world, including emerging markets such as the Middle East, and are exposed to risks of political unrest, war, terrorism, piracy, natural disasters, widespread transmission of communicable infectious diseases and economic and other forms of instability, which can result in disruption to our or our customers' businesses and seizure of, or damage to, our assets or pure economic loss. These events could also cause partial or complete closure of ports and sea passages, such as the Suez or Panama Canals, potentially resulting in higher costs, vessel delays and cancellations on some of our lines. While the recent events in the Middle East and Japan have not yet had a material impact on our business, worsening problems or other developments in those regions or other developments could affect our operations there and impact our financial performance materially.

Furthermore, political, economic or other developments could lead to reductions in, or in the growth rate of, world trade, which could reduce demand for our services. A weakening of the economy, protracted political instability or other events affecting important exporters, such as China or other Asian countries, would have a material negative impact on our business, financial condition and results of operations.

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

There is a risk that countries could, in the wake of the global financial and economic crisis or in response to real or perceived currency manipulations or trade imbalances, resort to protectionist measures or make changes to the regulatory regimes in which we operate in order to protect and preserve domestic industries. Such measures could include raising import tariffs, providing subsidies to domestic industries, restrictions on currency repatriation and the creation of other trade barriers. A global trend towards protectionism would be harmful to the global economy in general, as protectionist measures would cause world trade to shrink and counter-measures taken by protectionist policies' target countries would increase the chance for all-out trade wars. As our business success hinges, among other things, on global trade volumes, the stated protectionist policies and regulatory regimes would have a material adverse effect on our business, financial condition and results of operations.

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

The operation of large ocean-going vessels and the use of the heavy equipment necessary to load and prepare those vessels for transit involve inherent risks, including those of catastrophic loss, spills, personal injury and loss of life, maritime disaster, mechanical failure, fire, collision, stranding and loss of, or damage to, cargo as well as damage to or loss of vessels. In addition to losses caused by human errors and accidents, we may also be subject to losses resulting from, among other things, war, terrorist activities, piracy, political instability, business interruption, strikes and weather events. Any of these events could result in our experiencing direct losses and liabilities, loss of income, increased costs and reputational damage or litigation against or by third parties. There can be no certainty that the insurance policies we carry would be sufficient to cover the cost of damages suffered from any of these events or that we will be able to renew such insurance on commercially reasonable terms. Additionally, our insurers may refuse to pay particular claims if we fail to take certain actions, such as maintaining certification of our vessels with applicable regulations. We also may be responsible for liquidated damages if we do not comply with certain provisions of some of our contracts, which are not covered by our insurance policies.

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

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

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

Acts of piracy have historically affected oceangoing vessels trading in certain regions of the world, such as the South China Sea and the Gulf of Aden off the coast of Somalia. We operate significant lines in these areas. Since 2008, the frequency of piracy incidents against commercial shipping vessels has increased significantly, particularly in the Gulf of Aden. If any of our vessels are captured by pirates, we may be forced to pay significant ransoms to secure their release. For example, a vessel not affiliated with us, the Maran Centaurus, was captured by pirates in the Indian Ocean in January 2010 while carrying crude oil estimated to be worth \$150 million and was released only upon an estimated ransom payment of over \$5 million. Container ships of our and other lines have also become the target of pirate attacks off the Somali coast. Because our vessels are sometimes deployed in regions characterized by insurers as “additional premium” zones or Joint War Committee (“JWC”) “war and strikes” listed areas, such as the Gulf of Aden, we pay significantly higher premiums for insurance coverage in these regions. Pirate attacks may result in additional regions in which our vessels are deployed being characterized by insurers as “additional premium” zones or JWC “war and strikes” listed areas, or coverage for our operations in existing “additional premium” zones or “war and strikes” listed areas may become significantly more expensive or difficult or impossible to obtain. In addition, crew costs and further expenditures for heightened security measures could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, including the payment of any ransom we may be forced to make, which could have an adverse effect on our business, financial condition and results of operations.

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

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

- marine disaster;
- environmental accidents;
- grounding, fire, explosions and collisions;

- cargo and property losses or damage;
- business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, or adverse weather conditions;
- work stoppages or other labor problems with staff serving on vessels and at ports, substantially all of whom are unionized or covered by collective bargaining agreements; and
- piracy and terrorism.

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

The smuggling of drugs, weapons or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels will call in areas where smugglers attempt to hide drugs, weapons and other contraband on vessels, with or without the knowledge of crew members. In the past, we have discovered misdeclared cargo, including such contraband, and cooperated with governmental or regulatory authorities as appropriate. To the extent our vessels are found with contraband, whether with or without the knowledge of any of our crew, we may face governmental or other regulatory claims which could have an adverse effect on our business, results of operations, cash flows and financial condition.

More thorough monitoring and inspection procedures aimed at preventing terrorist attacks could increase our costs and cause disruptions to our business.

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

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

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

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

Changes in antitrust immunities may have a negative effect on our operating income.

The European Union eliminated certain competition law (antitrust) exemptions for the shipping industry in 2008. These laws, which are now fully applicable to our business, are designed to preserve free and open competition in the marketplace in order to enhance competitiveness and economic efficiency. They generally prohibit coordination or agreements among competitors that may lead to the formation of cartels or monopolization of certain businesses, which adversely affect competition. Market dominance by a single shipping company under some circumstances may also constitute a violation of the law.

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

It is possible that shipping companies may face fines and other similar sanctions if they fail to comply with the regulatory regime. This may significantly impact the profitability of shipping companies that are found not to be in compliance. In the event that we are found not to be in compliance with the regulatory regime and sanctions are imposed on us, this would have a material adverse effect on our business, financial condition and results of operations.

In addition, on March 17, 2010, the U.S. Federal Maritime Commission (“FMC”) initiated an investigation (No. 26) on the “Vessel Space and Equipment Availability Situation on U.S. Trades,” triggered by general complaints of shippers about the shortage of vessel space and equipment and the underlying allegation of collusion between carriers. There have been public hearings and confidential interviews with the industry. The FMC investigation could result in fines or penalties being imposed individually or collectively on carriers. Further, the investigation could lead to new laws or other administrative burdens which may impact our flexibility or force us to incur additional costs. Our reputation could also be damaged if allegations of illegal behavior are made against us. If any of the foregoing risks develop, our business, financial condition and results of operations could be materially and adversely affected.

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

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

In December 2008, the United Nations Commission on International Trade Law (“UNCITRAL”) adopted a new convention on cargo liability, the Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea (the “Rotterdam Rules”). The Rotterdam Rules establish a new legal regime for the international maritime carriage of goods. The goal of the Rotterdam Rules is to bring increased clarity regarding who is responsible and liable for what, when, where and to what extent when it comes to transport by sea and land and to make national codes, such as the U.S. and Australian Carriage of Goods Acts, redundant. The Rotterdam Rules will not come into force until one year after ratification by 20 countries. At present, there are 23 signatories, but

on January 19, 2011, Spain became the first, and as yet only, country to ratify the Rotterdam Rules. When, or if, the Rotterdam Rules come into effect, we could face increased liability under the new regime, including the increase of liability limits, liability for delay and liability in the case of errors in navigation, which could have a material adverse effect on our insurance program and on our business, financial conditions and results of operations.

Furthermore, national law regarding maritime liability may change, which could lead to increased liability. Any such change could have a material adverse effect on our business, financial conditions and results of operations.

We could face substantial liability if we fail to comply with existing operational regulations, and we may be adversely affected by changes in those regulations.

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

In September 1997, the IMO adopted Annex VI to the International Convention for the Prevention of Pollution from Ships (“MARPOL”) to address air pollution from ships. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits deliberate emissions of ozone-depleting substances (such as halons and chlorofluorocarbons), emissions of volatile organic compounds from cargo tanks, and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of bunker fuel and allows for special “Emission Control Areas” (“ECA”) to be established with more stringent controls on sulfur emissions (e.g., European Waters and Baltic Sea: SO_x limit in fuel is 1% since July 1, 2010 and will be 0.1% starting on July 1, 2015). Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and adversely affect our business, cash flows, results of operations and financial condition. In October 2008, the IMO adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone-depleting substances, which entered into force on July 1, 2010. The amended Annex VI will reduce air pollution from vessels by, among other things, (i) implementing a progressive reduction of sulfur oxide emissions from ships by reducing the global sulfur fuel cap initially to 3.50% (from the current cap of 4.50%), effective January 1, 2012, then progressively to 0.50%, effective January 1, 2020, subject to a feasibility review to be completed no later than 2018; and (ii) establishing new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation.

Currently, certain areas along our trade lanes are designated ECA, under the Annex VI amendments. If other ECAs are approved by the IMO or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations. For example, the IMO recently designated a North American ECA, which will become effective on August 1, 2011, extending 200 miles from the territorial sea baseline adjacent to the Atlantic/Gulf and the Pacific coasts and the Hawaiian Islands. Similar 200 square mile-ECAs are proposed for the Mediterranean, Singapore and Australia.

The IMO is evaluating mandatory measures to reduce greenhouse gas emissions from international shipping, which may include market-based instruments or a carbon tax. The EU has indicated that it intends to propose an expansion of the existing European Union emissions trading scheme to include emissions of greenhouse gases from marine vessels. In the United States, the Environmental Protection Agency (“EPA”) has issued a finding that greenhouse gases threaten public health and safety. In addition, climate change initiatives are being considered in the U.S. Congress. Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol that restricts emissions of greenhouse gases could require us to make significant financial expenditures that we cannot predict with certainty at this time.

Furthermore, we may incur substantial costs in order to comply with existing and future environmental, health, security and safety and other regulatory requirements, including, among others, obligations relating to spills and discharges of oil or other hazardous substances, ballast water management, transportation of dangerous goods, maintenance and inspection, development and implementation of emergency procedures, and security and insurance coverage.

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

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

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

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

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

Our success depends to a large extent on IT systems, and these systems may not continue to generate operational efficiencies or may break down and disrupt our operations and cause reputational or other harm to our business and result in higher costs.

Our ability to timely and correctly obtain, process and transmit data related to transport volumes, freight rates, transport costs, container locations and vessel schedules is critical to the effective management of our container capacity, our vessel fleet, the handling of empty containers in order to manage and minimize imbalance costs and the provision of high-end customer service. In this context, we rely to a large extent on our IT systems. Consequently, a breakdown of or disruption to any of these systems could materially impact our relationships with customers, our reputation and our operating costs and margins.

Our competitors may at any time develop similar or better systems than ours, thus reducing, neutralizing or even reversing any competitive advantage that we may currently benefit from. We expect to continue to commit significant financial resources, time, management expertise, technological know-how and other resources to the maintenance and further modification and enhancement of our IT systems. However, there is no guarantee that our IT systems in their present format or any improvements and new developments thereto will yield the desired results, and there can be no certainty that costs incurred in this respect will be realized in the form of improved operational efficiency. We also are dependent upon IBM through our joint venture in connection with the development and maintenance of our IT systems. If we are not successful in achieving additional operational efficiencies through maintaining, improving and continuing to develop our IT systems, our operational efficiency and cost structure relative to our competitors could deteriorate. This could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, although our IT systems and the relevant backup systems have an identical set-up and are located in separate data center locations, there can be no assurance that both data centers and their systems will

not be simultaneously damaged or destroyed in the event of a major disaster. Both the main IT systems as well as relevant backup systems may be vulnerable to damage or interruptions in operation due to fire, power loss, telecommunications systems failures, physical break-ins, hacker break-ins, a significant breakdown in internal controls, fraudulent activities by employees, failure of security and terrorism measures or backup systems, or other events beyond our control. Any such failure in our IT systems would have a material adverse impact on our business, financial condition and results of operations.

There are risks in connection with our cooperation agreements.

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

Labor disturbances could disrupt our business.

As of December 31, 2010, we employed approximately 17,500 employees globally, including approximately 4,160 in France. Labor in the container shipping industry in most of the jurisdictions in which we operate, and in France in particular, is organized for collective bargaining by maritime trade unions. Future industrial action, or the threat of future industrial action, by labor unions in response to any future efforts by our management to reduce labor costs, restrain wage increases or modify work practices could constrain our ability to carry out any such efforts. Our operations also depend on stevedores and other workers employed by third parties at the ports at which our ships call. Industrial action or other labor unrest with respect to outside labor providers could prevent us from carrying out our operations according to our plans or needs.

Maritime claimants could arrest our vessels.

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

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

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

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

In recent years, container ship capacities have increased globally at a faster rate than the rate at which some container ports have increased their capacities. These factors have led to considerable delays in the processing of container shipments in affected ports, many of which (such as in the United States) cannot accommodate larger ships. As a result of longer load and unload times, increases in container ship capacities could lead to further port congestion, which could have a material adverse effect on container shipping traffic on affected services. This in turn would have a material adverse effect on our business, financial condition and results of operations. Decisions on port expansions are made by national or local governments and are outside our control, determination or influence. Such decisions are made on the basis of local policies and concerns. In addition, as industry capacity and demand for container shipping continue to grow, we could encounter difficulties in securing sufficient terminal slots to expand our operations according to our growth strategy, due to the limited

availability of port facilities. While we seek to continue to secure port access by directly investing in port terminals where we have significant operations, we may face political and administrative challenges in doing so, as ports are generally considered strategic assets. We cannot assure you that our effort to secure port access by investing in port facilities will be successful.

We are dependent on the implementation of our financing strategies, which may not be successful in restoring our financial position and stabilizing our business.

We experienced a net loss of \$1,430.6 million in the year ended December 31, 2009, primarily due to sharp declines in freight rates and transport volume as a result of the global financial and economic crisis. Although our financial performance significantly improved in 2010, as a result of the downturn, we breached certain covenants and defaulted under most of our financing arrangements, and therefore had difficulty maintaining sufficient liquidity through 2009 and 2010 to service our obligations. As a result, in 2009, material uncertainties existed regarding our ability to continue as a going concern. We issued the ORA for \$500 million on January 27, 2011 to a new investor. In addition, we entered into amendments to restructure substantially all our financing arrangements (other than financings required to be completed in order to fulfill the Escrow Release Conditions Precedent) on or before April 8, 2011, which, among other things, waived past defaults and harmonized certain financial covenants. We remain in default under certain of our financing arrangements subject to the amendments as represented by the Escrow Release Conditions Precedent. For more information, see “Capitalization” and “Description of Certain Financing Arrangements.”

Moreover, we intend to dispose of certain non-core assets, such as a 51% interest in CdP and a 49% interest in Malta Freeport Terminal Ltd., in order to strengthen our balance sheet. If we fail to effect these dispositions prior to June 30, 2011, certain of our financing arrangements will be subject to margin increases. Also, we are required to enter into the CdP Financing and may not be able to enter into such financing arrangements on acceptable terms or at all. If we fail to enter into such financing arrangement by June 30, 2011, such failure will constitute an event of default under our existing financing arrangements. Furthermore, if we fail to effect the CdP Financing prior to the Escrow Redemption Date, we would be required to redeem the notes under their special optional redemption provisions. For more information, see “—Risks Relating to the Notes, the Offering and Other Financings—If the condition to escrow is not satisfied, the Issuer will be required to redeem the notes, which means that you may not obtain the return you expect on the notes” and “Description of Certain Financing Arrangements—Implementation of Restructuring Principles.”

While we have resumed vessel financing under our existing financing arrangements, we currently have only a signed term sheet in place, subject to definitive documentation and customary conditions, with respect to two container vessels to be delivered in 2012, and we are in the process of finalizing amendments to the financing agreements for two vessels previously delivered. The completion of such amendments is required in order to fulfill the Escrow Release Conditions Precedent. We cannot assure that we will be able to enter into definitive documentation for and consummate these financings, including on such terms, in order to meet our obligations under these arrangements.

We also have substantial obligations with respect to cancelled or delayed vessels. We have established provisions of \$90.5 million to provide for additional potential liabilities under our contracts with the shipyards; however, we cannot be certain that this amount is sufficient. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commercial Commitments.”

In order for us to improve our medium-term prospects, we need our strategy to rationalize our financial structure to be successful. If any of our strategies fails to succeed, this would materially and adversely affect our business, financial condition and operations. In addition, we may not, due either to sustained operating losses or reduced cash flows from operations, continue to be able to pay our debts, including those discussed above, as they come due.

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

We operate in a capital-intensive industry and thus have substantial capital needs in order to be able to cover our obligations in connection with our organic growth strategy, including acquiring, ordering newbuildings, leasing, chartering and maintaining container vessels and containers. We expect capital expenditures of approximately \$1,264 million in 2011, of which approximately \$990 million relates to nine new ships to be delivered in 2011, and approximately \$763 million in 2012, of which approximately \$457 relates to three new ships to be delivered in 2012.

We expect to finance our capital expenditures and future growth through a combination of cash flow and debt financing. It is not certain that we will generate enough free cash flow to enable us to cover all our financing needs without resorting to further debt financing. Moreover, it may not be possible, irrespective of the general level of interest rates, to obtain debt financing or it may only be possible to do so with difficulty, with delay or at unfavorable commercial terms.

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

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

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

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

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

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

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

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

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

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

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

We do not have contracts with most of our customers. Therefore, we cannot be certain that our customers will continue to use our services in the future. In addition, some of our contracts with customers are longer-term in nature and, if freight rates should rise or our operating costs increase, we may not be able to make the necessary adjustments to the contractually agreed rates to capitalize on such increased freight rates or address such increased operating costs until the existing contracts expire. Once our existing customer contracts expire, there is no assurance that our customers will renew the contracts on similar terms or that suitable replacements will be found. Any negative impact would be magnified if we lost any of our top 10 customers, which together accounted for approximately 11.6% of our revenue in 2010. Such developments would have a material adverse effect on our business, financial condition and results of operations.

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

We are exposed to transaction risks as a result of the difference in the currency mix of our revenue, on the one hand, and operating expenses, on the other hand. We incur a higher proportion of our expenses in euros than the proportion of our revenues that is generated in euros. Many of our financing arrangements are also denominated in euros. This imbalance can negatively impact our results of operations. In addition to these transaction risks, we are exposed to risks related to the translation of assets and liabilities denominated in currencies other than U.S. dollars (our functional currency). Our current policy is not to hedge our foreign currency exchange exposure. In line with industry practice and subject to market conditions, we typically charge our customers currency surcharges in times of volatility in foreign exchange rates, though there can be no assurance we will be successful going forward in passing on such costs.

We are also exposed to fluctuations in interest rates as 37% of our financial debt at December 31, 2010 bore interest on a floating rate basis. An increase of 100 basis points in interest rates would have resulted in a decrease in net income of \$59.0 million for the year ended December 31, 2010.

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

We hedge approximately 50% of our interest rate exposure and approximately 7.5% of our fuel cost exposure using swap contracts and other “over-the-counter” derivative instruments. When we use these instruments, we are subject to credit risk as the counterparties to our hedging transactions may default on an obligation. In addition, we potentially forgo the benefits of otherwise positive variable interest rate movements and favorable movements in the price of fuel. There can be no assurance that we will continue to be able to enter into such agreements on commercially reasonable terms, or that our hedging strategy will be successful in the future.

Moreover, as certain financial derivative instruments that we contracted to mitigate our exposure to fuel price fluctuations are accounted for at fair value, with changes in the fair value being recognized in the profit or loss statement, our statement of income may be significantly exposed to changes in the fair value of these instruments. Furthermore, certain of our derivatives are subject to a margin call mechanism that may adversely affect our liquidity.

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

Jacques R. Saadé and the members of his immediate family directly and indirectly own approximately 99% of our outstanding share capital (before the dilutive effect of the Yildirim Investment), and they have complete control over our management and strategic direction, as well as other decisions that affect our results of operations and financial conditions. If the interests of the Saadé family conflict with your interests, you could be disadvantaged by their ability to direct us to take actions contrary to your interests. Additionally, the Saadé family may exercise control over our pursuit of acquisitions, divestitures, financings or other transactions, which might involve risk for you. Moreover, in connection with the Yildirim Investment, Yildirim acquired veto rights over certain transactions and appointed three members of the board of directors and can therefore also prevent certain transactions and exercise influence. On December 31, 2015, the ORA held by Yildirim will convert into 2,644,590 preferred shares corresponding, assuming no changes in the total number of our shares, to 20% of our capital. The governance rights of Yildirim will not be otherwise affected by such conversion. Yildirim’s interests may conflict with the interests of the Saadé family or your interests. See “Principal Shareholders.”

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

We rely on, and expect to continue to rely on, Jacques R. Saadé, Chairman and General Manager, Farid T. Salem, Deputy General Manager and Director, Rodolphe Saadé, Deputy General Manager and Director, and Olivier Dubois, Chief Financial Officer, as well as other key employees, to successfully carry out our business strategy and operations. We are also dependent on qualified personnel in order to execute our day-to-day business operations. The loss of the services of any of these individuals for any significant period of time or our inability to attract and retain qualified personnel could have a material adverse effect on our capacity to manage our business.

Difficulty in succession may disrupt our operations.

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

Delays in deliveries of our newbuild vessels, or our decision to cancel, or our inability to otherwise complete the acquisitions of any newbuildings we may decide to acquire in the future, could harm our operating results.

Our newbuilding vessels, as well as any newbuildings we may contract to acquire or order in the future, could be delayed, not completed or canceled, which would delay or eliminate our expected receipt of revenues under any charters for such vessels. The shipbuilder or third-party seller could fail to deliver the newbuilding vessel or any other vessels we acquire or order, or we could cancel a purchase or a newbuilding contract because the shipbuilder has not met its obligations or due to our inability to finance the purchase of the vessel. For prolonged delays, the customer may terminate the time charter. The newbuilding industry has become increasingly concentrated among a handful of shipyards in Korea, exacerbating the risks we face in dealing with shipbuilders. Some recent newbuild orders have been placed at "greenfield" shipyards, that is, shipyard facilities that have yet to be constructed and become operational. Some of these shipyards are finding it difficult to secure funds to commence the construction of the actual shipyard. If delivery of any newbuild vessels currently contracted to be acquired, or any vessel we contract to acquire in the future, is materially delayed, it could materially adversely affect our results of operations and financial condition.

Our receipt of newbuildings could be delayed, canceled or otherwise not completed because of, among other things, quality or engineering problems or failure to deliver the vessel in accordance with the vessel specifications, changes in governmental regulations or maritime self-regulatory organization standards, work stoppages or other labor disturbances at the shipyard, bankruptcy or other financial or liquidity problems of the shipbuilder, a backlog of orders at the shipyard, political or economic disturbances in the country or region where the vessel is being built, weather interference or catastrophic events, shortages of or delays in the receipt of necessary construction materials, such as steel, and our inability to finance the purchase of the vessel.

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

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

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

The fair market value of our vessels may increase or decrease depending on a number of factors including general economic and market conditions affecting the shipping industry, competition from other shipping companies, supply and demand for tankers and the types and sizes of tankers we own, alternative modes of transportation, cost of newbuildings, governmental or other regulations, prevailing level of charter rates and technological advances.

If the fair market value of our vessels declines below their carrying values and such decline is other than temporary, we may be required to take an impairment charge or might incur losses if we were to sell one or more of our vessels at such time, which would adversely affect our business and financial condition as well as our earnings.

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

Our international operations could expose us to trade and economic sanctions or other restrictions imposed by the United States or other governments or organizations, including the United Nations, the European Union and their member countries. In particular, the U.S. Office of Foreign Assets Control, or OFAC, has issued regulations requiring that we refrain from doing business, or allowing our clients to do business through us, in certain countries or with certain organizations or individuals on a list maintained by the U.S. government. Under economic and trading sanctions laws, governments may seek to impose modifications to business practices, and modifications to compliance programs, which may increase compliance costs, and may subject us to fines, penalties and other sanctions.

Recently, the scope of sanctions imposed against the government of Iran and persons engaging in certain activities or doing certain business with and relating to Iran has been expanded by a number of jurisdictions, including the United States, the European Union and Canada. There has also been an increased focus on economic and trade sanctions enforcement that has led recently to a significant number of penalties being imposed against shipping companies. For example, OFAC recently issued a pre-penalty notice to our subsidiary, CMA CGM (America) LLC, for a proposed penalty of \$416,000, relating to certain transactions involving Cuba, Iran and Sudan from 2004 to 2008, including accepting payments for shipping charges related to exports to Cuba, Iran and Sudan without an applicable license, facilitating the exportation of goods from foreign ports to Iran and Sudan and acting as a shipping agent for shipments to Sudan. While we have implemented compliance programs to avoid any violations of these restrictions, given the scope and nature of our international operations, we may not be able to effectively prevent future violations of such trade sanctions.

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

We rely on third-party contractors to provide various services.

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

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

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

Our operations are subject to the risks of litigation.

We are involved on an ongoing basis in litigation arising in the ordinary course of business or otherwise. Litigation may include claims related to commercial, labor, employment, antitrust, securities, tax or environmental matters. Moreover, the process of litigating cases, even if we are successful, may be costly, and may approximate the cost of damages sought. These actions could also expose us to adverse publicity, which might adversely affect our brand and reputation. Litigation trends and expenses and the outcome of litigation cannot be predicted with certainty and adverse litigation trends, expenses and outcomes could adversely affect our financial results.

Risks Relating to the Notes, the Offering and Other Financings

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

We will have substantial indebtedness after completing this offering. See “Description of Certain Financing Arrangements.” As of December 31, 2010, on a pro forma basis to give effect to the Yildirim Investment, the amendments to our existing financing arrangements, the issuance of the notes offered hereby and the application of the net proceeds therefrom (assuming that the Escrow Release Conditions Precedent are satisfied):

- our total consolidated indebtedness would have been \$6,816.8 million (of which approximately \$909.3 million would have been indebtedness incurred in this offering);
- our total shareholders’ equity as calculated for the purpose of determination of our total capitalization would have been \$3,645.2 million; and
- our total consolidated indebtedness would have represented 65.0% of our total capitalization.

See “Capitalization”.

We expect to be able to repay the principal amount outstanding under the notes offered hereby when the notes mature in 2017 and 2019, respectively. Should we not be able to do so, we expect to refinance such principal amount with new indebtedness. We may, however, be unable to refinance such principal amount on terms satisfactory to us, or at all, particularly in light of the volatility in the credit markets in recent years.

Our indebtedness could have important consequences to you, as a holder of the notes. For example, it could, among other things:

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

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

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

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

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

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all.

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

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

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

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

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

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

- incur or guarantee additional debt and issue preferred stock;
- make certain payments, including dividends or other distributions;

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

Our existing indebtedness also includes other covenants as set forth in “Description of Certain Financing Arrangements.” In addition, in connection with our Restructuring Principles, we agreed under the terms of certain of our financing arrangements, among other things, to a cash flow sweep mechanism, to certain LTV ratios that may potentially require us to post additional collateral on certain vessels, to dispose of certain assets and to limitations on certain distributions as well as related new events of default. For further information, see “Description of Certain Financing Arrangements—Implementation of the Restructuring Principles.”

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

The terms of our indebtedness will require us to use our excess cash flow to repay our senior creditors.

Under the terms of certain of our financing arrangements, we are required to conduct periodic excess cash flow sweeps in order to distribute, in accordance with certain metrics and priorities set forth therein, cash exceeding \$800 million. For more information, see “Description of Certain Financing Arrangements—Implementation of the Restructuring Principles—Cash Flow Sweep Mechanism.” This obligation will significantly limit the amount of funds we have available to fund working capital requirements. In addition, such obligations will also limit our investment capacity. Our ability to successfully maintain our market position and grow our business may be severely limited while any debt subject to such restrictions remains outstanding.

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

We are issuing the notes as senior unsecured obligations. The notes will be effectively subordinated in right of payment to all our existing and future secured indebtedness, to the extent of the value of the assets securing such debt. As of December 31, 2010, we had \$4,166.0 million of secured indebtedness outstanding. The terms of the indenture governing the notes will permit us to incur additional secured indebtedness in the future, subject to certain limitations. Accordingly, in the event of a bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding affecting the Issuer, your rights to receive payment will be effectively subordinated to those of secured creditors up to the value of the collateral securing such indebtedness. Holders of the notes will participate in our remaining assets ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all our other general creditors, based on the respective amounts owed to each holder or creditor. In addition, if the secured lenders were to declare a default with respect to their loans and enforce their rights with respect to their collateral, there can be no assurance that our remaining assets would be sufficient to satisfy our other obligations, including our obligations with respect to the notes. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of the notes may receive less, ratably, than holders of secured indebtedness.

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

The notes will be structurally subordinated to existing and future obligations of our subsidiaries. Our subsidiaries may incur debt in order to finance operations. In addition, claims of creditors of our subsidiaries, including trade creditors of our subsidiaries, will have priority with respect to the assets and earnings of such

subsidiaries over the claims of our creditors. As of December 31, 2010, on a combined basis, our subsidiaries had \$2,497.5 million of indebtedness outstanding. Our subsidiaries have no obligation to pay amounts due on the notes and will not guarantee the notes. The notes, therefore, will be structurally subordinated to the claims of creditors of our direct and indirect operating subsidiaries (based on the obligations of the principal obligor and excluding the impact of any guarantees). Any right we may have to receive assets of any of our subsidiaries upon the liquidation or reorganization of any such subsidiary (and the consequent right of holders of the notes to participate in the distribution of, or realize proceeds from, those assets) will be structurally subordinated to the claims of the creditors of such subsidiary.

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

Upon the occurrence of a change of control as defined in the Indenture, we will be required to offer to repurchase all outstanding notes at 101% of the principal amount. We may not have sufficient funds at the time of such an event to make any required repurchase of the notes. We may therefore require financing to repurchase the notes and may not be able to obtain such financing on commercially reasonable terms, or at all. The Issuer's failure to effect a change of control offer when required would constitute an event of default under the indenture governing the notes. However, some important corporate events that might adversely affect the value of the notes would not constitute a "change of control" under the indenture governing the notes. For a complete description of the events that would constitute a "change of control," you should read the section entitled "Description of Notes—Purchase of Notes upon a Change of Control."

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

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

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

The Issuer is incorporated under the laws of France. Accordingly, any insolvency proceedings with respect to us or our French subsidiaries would likely proceed under the laws of France. Certain provisions of insolvency laws in France are less favorable to creditors than bankruptcy laws in the United States. French insolvency legislation generally favors the continuation of a business and the protection of employment over the repayment of creditors.

A new insolvency law was enacted in France on July 26, 2005, and entered into force on January 1, 2006, creating a new procedure called the safeguard procedure (*procédure de sauvegarde*). In addition, a new order enacted on December 18, 2008 regarding insolvency proceedings entered into force on February 15, 2009. Finally, a new banking and financial regulation implemented by law n°2010-1249 dated 22 October 2010, which came into force on March 1, 2011, created the Accelerated Financial Safeguard procedure (*Sauvegarde Financière Accélérée*), which is designed to "treat quickly" purely financial difficulties of large companies (with more than 150 employees or turnover greater than €20 million). These new regulations significantly modified the bankruptcy procedures.

The safeguard procedure may only be commenced on the company's request before it reaches a state of cessation of payments (*cessation de paiements*) (i.e., the debtor is considered in a state of cessation of payments where it is unable to pay its debts when they fall due with its liquid assets (taking into account available credit lines and existing rescheduling agreements)).

Where the debtor is already in a state of cessation of payments, it is required to petition for the opening of judicial reorganization proceedings (if recovery is possible) or judicial liquidation proceedings (if recovery is manifestly not possible) within 45 days of the date upon which the cessation of payments occurred. If it fails to do so, its directors and officers are subject to civil liability.

In the safeguard procedure, as well as in the recovery procedure, the court can order the reorganization of the company under a safeguard plan (*plan de sauvegarde*) or a recovery plan (*plan de redressement*). Under the recovery procedure, an asset deal plan may also be adopted by the court if the adoption of a recovery plan is not possible. If there is no chance of recovery, the court must convert those procedures into liquidation, which will end with the sale or the winding-up of the company (*liquidation judiciaire*).

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

As a general rule, from the date of the court order commencing bankruptcy proceedings (*jugement d'ouverture*), the debtor is prohibited from paying debts which arose prior to the court order, subject to certain exceptions. From the date of the court order, creditors may not pursue any individual debt collection or assimilated legal action against the company with respect to any claim arising prior to the court order commencing bankruptcy proceedings. Contractual provisions that would accelerate the payment of the debtor's obligations upon the occurrence of certain bankruptcy events are not enforceable under French law.

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

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

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

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

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

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

In the case of large companies (with more than 150 employees or turnover greater than €20 million), two creditors' committees (one for credit institutions having a claim against the debtor and the other for suppliers having a claim that represents more than 3% of the total amount of the claims of all of the debtor's suppliers) have to be established. If there are any outstanding debt securities in the form of *obligations* (such as bonds or notes), a general meeting gathering all holders of such debt securities will be established whether or not there are

different issuances and no matter what the applicable law of those *obligations* (the “bondholders’ general assembly”). The notes constitute *obligations* for the purposes of a safeguard or reorganization proceeding. The two committees and the bondholders’ general assembly will be consulted on the safeguard or reorganization plan drafted by the debtor’s management. In the first instance, the plan must be approved by each of the two creditors’ committees. Such approval requires the affirmative vote of creditors holding at least two-thirds of the amounts of the claims held by the members of such committee participating in such vote. Following the approval of the plan by the two creditors’ committees, the plan will be submitted for approval to the bondholders’ general meeting. The approval of the plan at such meeting requires the affirmative vote of bondholders representing at least two-thirds of the principal amount of the *obligations* held by creditors who voted in the bondholders’ general meeting.

Following approval by the creditors’ committees and the bondholders’ general meeting, the plan must be approved (*arrêté*) by the Court. In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected. Once approved by the relevant court, the safeguard or reorganization plan accepted by the committees and the bondholders’ general meeting will be binding on all of the members of the committees and all bondholders (including those who voted against the adoption of the plan). A safeguard or reorganization plan may include debt rescheduling and debt write-offs, as well as debt-to-equity swaps.

In the event any of the committees, or the bondholders, at their general meeting has refused to give its consent to the plan, the plan will not be approved by the court and a consultation of the creditors on an individual basis will take place as mentioned herein above. The same rule applies in respect to creditors who are not members of the committees and who have not consented to the plan as adopted by the two committees and the bondholders’ general meeting.

In the context of Accelerated Financial Safeguard, the above rules would only apply to the creditors which are subject to the Accelerated Financial Safeguard (*i.e.* credit institutions which are eligible to creditors’ committees, and bondholders which are eligible to the bondholders’ general assembly described above).

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

A trading market for the notes may not develop.

The liquidity of any market for the notes will depend upon the number of holders of the notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. While the initial purchasers have informed us that they currently intend to make a market in the notes, they have no obligation to do so and may discontinue market-making activities in their sole discretion at any time without notice.

The trading price of the notes may be volatile.

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

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

The notes will be, and any of our future debt instruments may be, publicly rated by the independent rating agencies Standard & Poor’s Rating Services (“S&P”) and Moody’s Investors Service, Inc. (“Moody’s”). These

public debt ratings affect our ability to raise debt. Any future downgrading of the notes or any other debt instruments we may have at such time by Moody's or S&P may affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the notes.

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

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

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

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

If the conditions to the escrow are not satisfied, the Issuer will be required to redeem the notes, which means that you may not obtain the return you expect on the notes.

The proceeds from the offering will be held in escrow pending the finalization of the financings represented by the Escrow Release Conditions Precedent, which may be outside of our control. If these conditions are not satisfied, the escrow will not be released. Accordingly, there can be no assurance that the escrow will be released.

Upon delivery by the Issuer to the Escrow Agent and the Trustee of a company certificate signed by two members of the Issuer's board of directors certifying that, on or prior to the Escrow Redemption Date, the Escrow Conditions Precedent are satisfied, the escrowed funds will be released to the Issuer and utilized as described in "Use of Proceeds." See "Description of Notes—Escrow Arrangement."

Prior to the satisfaction of the Escrow Conditions Precedent, the net proceeds of the offering of the notes will be deposited in the Escrow Account with The Bank of New York Mellon, London Branch. The Issuer will be required to redeem the notes if, (a) satisfaction of the Escrow Release Conditions Precedent (the date of such satisfaction, the "Completion Date") does not take place on or prior to the Escrow Redemption Date or (b) the Issuer determines, in its sole discretion, that the Escrow Release Conditions Precedent will not be satisfied on or prior to the Escrow Redemption Date and gives written notice and instruction to the Trustee and the Escrow Agent that it has elected to exercise the special optional redemption provisions. If this special redemption occurs, you may not obtain the return you expect to receive on the notes and you might not be able to reinvest the funds on similar terms.

The holders of the Notes are exposed to the insolvency risk of the Escrow Agent.

Initially, the net proceeds of the offering of the Notes will be placed in an escrow account with the Escrow Agent. The funds held in the Escrow Account will only be released to the Issuer upon delivery by the Issuer of a company certificate signed by two members of the Issuer's board of directors certifying that, on or prior to the Escrow Redemption Date, the Escrow Release Conditions Precedent are satisfied. Accordingly, until the release of the proceeds of the offering of the Notes to the Issuer, the holders of the Notes may be exposed to the insolvency risk of the Escrow Agent.

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

The notes will be issued in fully registered form. The euro-denominated notes will be deposited, on the closing date, with or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary. The dollar-denominated notes will be deposited, upon issuance, with a custodian for DTC and registered in the name of DTC or its nominee.

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

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

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

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

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

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

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

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

USE OF PROCEEDS

The aggregate gross proceeds from the sale of the notes will be \$909,265,000 (in a combination of euros and U.S. dollars) (using the Company’s balance sheet exchange rate of \$1.3362 = €1.00 as of December 31, 2010), consisting of gross proceeds from the sale of the dollar-denominated notes of \$475,000,000 and of the euro-denominated notes of €325,000,000. We will use such gross proceeds from the offering to refinance all our Senior Notes due 2012 and Senior Notes due 2013 and pay fees and expenses in connection with the offering. The remaining proceeds will be used for general corporate purposes.

We expect the net proceeds from the offering of the notes (less the early redemption premium of and accrued interest on the Senior Notes due 2012 and 2013) to be approximately \$859.7 million, after deducting the initial purchasers’ discounts and the estimated offering expenses payable by us. The net proceeds of the offering will be deposited in the Escrow Account with the Escrow Agent and will be released upon satisfaction of the Escrow Release Conditions Precedent. Please see “Description of Notes— Escrow Agreement.”

For descriptions of our current and anticipated indebtedness, see “Description of Certain Financing Arrangements,” “Description of Notes” and “Capitalization.”

The following table shows the sources and uses of funds related to the offering (in \$ millions) assuming that the Escrow Release Conditions Precedent are satisfied.

<u>Sources of Funds</u>		<u>Use of Funds</u>	
Notes offered hereby ⁽¹⁾	909.3	Refinance all Senior Notes due 2012 ⁽¹⁾	358.7
		Refinance all Senior Notes due 2013.....	143.5
		Estimated fees and expenses ⁽²⁾	49.7
		General corporate purposes.....	<u>357.4</u>
Total sources	909.3	Total uses	<u>909.3</u>

(1) U.S. dollar equivalents of euro-denominated amounts are translated at an exchange rate of \$1.3362 = €1.00 (the exchange rate as of December 31, 2010 used by the Company for its audited consolidated balance sheet as of such date).

(2) Includes \$16.0 million and \$4.3 million relating to the early redemption premium of the Senior Notes due 2012 and the Senior Notes due 2013, respectively, and \$7.6 million of accrued interest on the Senior Notes due 2012 and Senior Notes due 2013 through December 31, 2010.

CAPITALIZATION

The following table sets forth our cash, cash equivalents, financial assets at fair value through profit and loss and LTV deposits, and consolidated capitalization as of December 31, 2010, on an actual basis and on an adjusted basis to give effect to the Yildirim Investment, the amendments to our existing financing arrangements, the issuance of the notes offered hereby and the use of the net proceeds therefrom (assuming that the Escrow Release Conditions Precedent are satisfied). The net proceeds of this offering will be deposited in the Escrow Account and will be released upon satisfaction of the Escrow Release Conditions Precedent. Please see “Description of Notes—Escrow Agreement.” You should read this table in conjunction with our audited consolidated historical financial statements, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Use of Proceeds” included elsewhere in this offering circular. U.S. dollar equivalents of euro-denominated amounts are calculated at an exchange rate of \$1.3362 = €1.00 (the exchange rate as of December 31, 2010 used by the Company for its consolidated balance sheet as of such date).

	As of December 31, 2010			As Adjusted
	Actual	Adjustment ⁽²⁾	Adjustment ⁽³⁾	
	(\$ millions)			
Cash, cash equivalents, financial assets at fair value through profit and loss and LTV deposits⁽¹⁾	840.4	753.8	357.4	1,951.6
Debt				
Bank debt	2,668.3	264.0	—	2,932.3
Obligations under finance leases	1,414.3	—	—	1,414.3
Bank overdrafts	32.3	—	—	32.3
Securitization and other obligations	211.4	—	—	211.4
Senior Notes due 2012 and 2013	502.1	—	(502.1)	—
Notes offered hereby	—	—	909.3	909.3
Other financial debts	762.2	279.1	(7.6)	1,033.7
Debt relating to assets to be sold	283.5	—	—	283.5
Total debt	5,874.2	543.1	399.5	6,816.8
Total equity⁽⁴⁾	3,476.6	210.7	(42.1)	3,645.2
Total capitalization	9,350.8	753.8	357.4	10,462.0

(1) Includes \$538.7 million of cash and cash equivalents, \$28.5 million of financial assets at fair value through profit and loss and \$273.2 million of LTV deposits. LTV deposits are held as collateral to the related financing and, accordingly, we have deducted these cash deposits for the purpose of determining net debt.

(2) To reflect the Yildirim Investment, the application of the proceeds therefrom and the amendments to our existing financing arrangements. Under IFRS, the \$500 million principal amount of the ORA will be accounted for as a compound financial instrument and allocated into (i) an equity component for \$220.9 million and (ii) a financial debt component for \$279.1 million. Under the indentures for the notes, however, the ORA will be treated as indebtedness. The adjustments for the amendments to our existing financing arrangements assume the Escrow Release Conditions Precedent are satisfied and reflect the following: (i) in order to finance vessels delivered in 2010, an estimated \$200.0 million that has been, or will shortly be, subject to customary conditions, paid to us under certain financing arrangements and an estimated additional \$64.0 million expected to be paid to us shortly pursuant to a signed term sheet we have in place, which term sheet is subject to definitive documentation with such lenders and satisfaction of customary conditions, and (ii) consent fees of 25 basis points (amounting to \$10.2 million) we paid in connection with such amendments. In addition, the amendments to our existing financing arrangements also resulted in (i) an additional LTV deposit totaling \$51.8 million and (ii) the reclassification from current to non-current of certain financial debt amounting to \$3,055.1 million (assuming completion of the financings subject to the Escrow Release Conditions Precedent) following the waiver or cure of certain defaults under our financing arrangements as part of the amendments thereto.

(3) To reflect the issuance of the notes offered hereby and the application of the proceeds therefrom, including the refinancing of all the Senior Notes due 2012 and Senior Notes due 2013. Assuming the Escrow Release Conditions Precedent are satisfied, the net proceeds of the notes offered hereby (less the early redemption premium of and accrued interest on the Senior Notes due 2012 and the Senior Notes due 2013), amounting to \$859.7 million (see “Uses of Proceeds”), will be used to redeem (i) \$143.5 million principal amount of the Senior Notes due 2012 outstanding (excluding a \$4.3 million early redemption premium), and (ii) \$358.7 million principal amount of the Senior Notes due 2013 outstanding (excluding a \$16.0 million early redemption premium). The early redemption premiums are included in offering expenses and reduce the remaining net proceeds included in cash, cash equivalents, financial assets at fair value through profit and loss and LTV deposits.

(4) Total equity includes the \$220.9 million portion of the Yildirim Investment accounted for under IFRS as equity.

Other than as described above, there have been no material changes in our total capitalization since December 31, 2010.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following table presents summary consolidated financial information of the Company, at the dates and for the periods indicated. The summary consolidated financial information for each of the periods indicated below is derived from our audited consolidated financial statements prepared under IFRS. Our audited consolidated financial statements for years ended December 31, 2010 and 2009 are included elsewhere in this Luxembourg listing particulars. Our audited consolidated financial statements for the years ended December 31, 2008 and 2007 are incorporated by reference herein and available at the specified office of the Luxembourg Paying Agent.

You should read this summary consolidated financial information along with “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and our audited consolidated financial statements included elsewhere in this Luxembourg listing particulars.

	Year ended December 31,				
	2006	2007	2008	2009	2010
	(\$ millions)				
Consolidated Income Statement Data					
Revenue	8,420.2	11,779.0	15,094.8	10,543.3	14,290.9
Operating expenses	(7,779.5)	(10,510.4)	(13,930.4)	(11,285.6)	(11,780.2)
Gains/(losses) on disposal of property, equipment and subsidiaries	12.6	15.8	96.2	74.9	5.7
Profit before depreciation, amortization, impairment of losses and income from associates and jointly controlled entities	653.3	1,284.3	1,260.7	(667.3)	2,516.5
Depreciation, amortization of non-current assets	(246.1)	(281.6)	(313.6)	(333.1)	(364.7)
Impairment of assets and risks associated to vessels and negative goodwill	—	53.6	—	(499.5)	(51.6)
Amortization of NPV benefit related to assets	38.6	38.5	35.5	43.5	54.5
Share of profit (loss) of associates and joint ventures	2.7	31.7	16.9	(30.0)	10.1
Operating profit/(loss)	448.6	1,126.6	999.5	(1,486.4)	2,164.8
Cost of net debt	(162.5)	(175.6)	(224.7)	(268.7)	(276.0)
Other financial items	394.0	83.0	(849.0)	309.1	(210.9)
Income taxes	(56.3)	(48.0)	198.2	15.4	(23.8)
Profit/(loss) for the year	623.8	986.0	124.0	(1,430.6)	1,654.0

	As of December 31,				
	2006	2007	2008	2009	2010
	(\$ millions)				
Consolidated Balance Sheet Data					
Intangible assets	272.2	604.2	645.9	756.0	722.4
Vessels	3,313.3	3,933.5	4,649.7	4,882.0	5,519.0
Containers	675.4	1,053.0	1,109.8	1,021.3	949.6
Land and buildings	176.1	327.3	535.6	648.7	669.3
Other property and equipment	149.9	186.8	215.3	287.3	364.2
Other non-current assets	194.9	357.4	1,091.5	1,172.7	1,282.2
Inventories	144.4	297.2	202.6	321.6	405.0
Trade and other receivables	1,488.1	3,457.1	2,268.3	1,943.2	2,031.6
Financial assets at fair value through profit and loss	382.8	546.9	76.7	40.6	28.5
Cash and cash equivalents	1,478.3	1,998.1	1,877.0	589.9	538.7
Other current assets	684.3	1,773.7	716.3	288.2	284.1
Assets classified as held-for-sale	179.3	578.0	244.5	256.4	473.1
Total assets	9,138.9	15,149.5	13,633.3	12,207.9	13,267.7
Total equity	2,613.5	3,701.3	2,566.3	1,987.9	3,476.6
Financial debt non-current portion	2,481.8	3,915.0	4,303.6	1,038.3	1,291.8
Other non-current liabilities	274.3	283.3	1,181.8	616.0	505.3
Financial debt current portion	1,168.2	866.3	949.0	5,174.6	4,298.9
Other current liabilities	2,454.0	5,982.4	4,535.9	3,338.9	3,360.1
Liabilities associated with assets classified as held-for-sale	147.1	401.4	96.8	52.2	335.0
Total liabilities & equity	9,138.9	15,149.5	13,633.3	12,207.9	13,267.7

	Year ended December 31,				
	2006	2007	2008	2009	2010
	(\$ millions)				
Consolidated Cash Flow Statement Data					
Cash inflow (outflow) from:					
Operating activities	678.3	1,470.0	644.0	(947.5)	1,677.8
Investing activities	(917.5)	(1,914.6)	(1,711.2)	(615.2)	(1,047.2)
Financing activities	912.8	937.7	606.7	112.7	(512.5)
Net increase (decrease) in cash, cash equivalents and bank					
overdrafts	699.8	518.0	(498.8)	(1,434.2)	120.0
Cash, cash equivalents and bank overdrafts at the end of the					
year	1,435.0	1,953.0	1,820.6	386.5	506.4

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

The following discussion and analysis should be read together with our audited consolidated financial statements for the years ended December 31, 2009 and 2010, and the related notes, included elsewhere in this Luxembourg listing particulars.

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

General

We are a leading provider of global container shipping services. In terms of capacity, we are the largest provider of container shipping services in France and the third largest in the world. We offer our services through a global network of 155 main lines and 38 feeder lines, calling at approximately 400 ports in 133 countries, with the support of more than 150 different shipping agencies operating through more than 650 offices worldwide.

As of December 31, 2010, we operated a fleet of 396 container ships with a total capacity of 1.224 million TEU, a weighted average age of 5.7 years (based on total TEU), of which we chartered 305 and owned 91. As of December 31, 2010, we maintained a 1.860 million TEU fleet of containers, of which we leased approximately 63% and owned the remainder. The market value of our owned vessels, as assessed by calculating the average of three independent ship brokers' valuations, was \$4,442.2 million, and the book value of our owned containers was \$949.6 million, both as of December 31, 2010.

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

In 2010, we transported over 9,041 million TEU on behalf of a globally diversified base of more than 100,000 customers (of which approximately 1,500 shipped more than 100 TEU in 2010), and had revenue of \$14.3 billion and EBITDA of \$2.5 billion.

Our Turnaround

The crisis in the financial markets triggered a global economic downturn that led to a collapse of freight rates and transport volumes and resulted in significant overcapacity of vessels in our industry by the end of 2008. From the onset of the crisis, we, like our competitors, implemented specific operationally protective measures. For example, we cancelled or scaled back certain services that were particularly affected by the downturn, such as our Asia-Mediterranean and Asia-North America trades. In addition, we implemented "slow steaming" initiatives to cut costs and absorb capacity. Furthermore, we were able to negotiate reduced rates, avoided extending certain short-term charters that had come to maturity, which helped us reduce our vessel costs. However, despite the prompt implementation of these measures, a significant deterioration in our financial performance occurred.

We had significant debt during this period, primarily relating to the financing of vessels. In 2006, we had initiated a large investment program aimed at operating a more modern and larger fleet of vessels, purchasing 54 vessels from 2006 to 2008. During the height of the downturn, we suspended making principal payments under some of our financing arrangements to preserve our liquidity but continued to make interest payments. We therefore defaulted and separately breached certain financial covenants, under most of our financing arrangements. In addition, we sought to terminate agreements relating to purchases of non-financed vessels.

To cope with these events, we established a steering committee of our main creditors in order to facilitate discussions and negotiations regarding amendments to the instruments governing our financial indebtedness. Furthermore, we sought various potential sources of liquidity and worked with the steering committee to

establish a comprehensive plan to secure the continuation of our operations, in order to stabilize our capital structure and ensure that existing financing arrangements were not terminated. We retained StormHarbour Securities LLP to advise and assist us in the implementation of the Restructuring Principles. We implemented the following measures in furtherance of these goals:

- In connection with negotiations with lenders to enter into a new liquidity facility agreement to fund operating expenses, we filed “conciliation proceedings” (*procédure de conciliation*) before the commercial court of Marseilles, France so that any potential new lenders of this potential new liquidity facility could obtain priority over the Company’s existing secured creditors. However, we ultimately abandoned plans to enter into a new liquidity facility agreement and the conciliation proceedings subsequently expired without further effect in July 2010 after the duration expired under French law.
- We issued the ORA for a total subscription price of \$500 million to Yildirim Asset Management Holding BV on January 27, 2011, pursuant to an investment agreement with Merit Corporation and Yildirim Holding, an investment company incorporated under the laws of Turkey. See “Description of Certain Financing Arrangements—Yildirim Investment.” The proceeds of the Yildirim Investment were not to be used in connection with any mandatory debt repayments and therefore were used to strengthen our balance sheet.
- As activity in the container shipping industry significantly picked up in 2010, driven notably by restocking of inventory, our financial performance similarly improved. Our transport volumes increased by 14.7% in 2010 as compared to 2009 and freight rates increased by 20.8% over that same period. Our revenue increased by 35.5% in 2010 as compared to 2009, while we also enjoyed relative cost savings resulting from the implementation of the protective measures discussed above. As a result, our EBITDA in 2010 was \$2.5 billion compared to negative \$667.3 million in 2009. We therefore repaid all outstanding principal amounts owed under our existing financing arrangements as of December 2010 (other than \$20 million unsecured debt which was rescheduled for November 2011) and cured any LTV defaults on or before April 4, 2011. In addition, we ceased to be in breach of certain financial covenants under our financing arrangements.
- We entered into discussions with shipyards to delay or cancel delivery of certain ships. We reached an agreement with the shipyard to cancel three vessels and to delay delivery of several other vessels. In 2010, we accepted delivery of 12 vessels, as well as an additional five vessels (including a cruise ship), which we originally intended to purchase, under charter arrangements.
- On January 12, 2011, the steering committee agreed to a set of restructuring principles and guidelines (the “Restructuring Principles”) to serve as the foundation for amendments to substantially all our financing arrangements.
- Following the Restructuring Principles, we have been entering into amendments to instruments governing our financial indebtedness, which, among other things, waive any defaults under our existing financing arrangements and harmonize and realign the financial covenants consistent with our current financial position and allow us to resume vessel financing. The amendments also provide that the Company will, among other things:
 - conduct, as from June 2011, an excess cash flow sweep in order to distribute, in accordance with certain metrics and priorities set forth in the Restructuring Principles agreed among our existing creditors, unrestricted cash and cash equivalents exceeding \$800 million;
 - provide security in relation to LTV requirements under certain vessel financing arrangements;
 - dispose of a portion of certain of our interests in CdP and Malta Freeport Terminal Ltd.;
 - enter into the CdP Financing prior to June 30, 2011; and
 - reduce the level of our commodities hedging.

Failure to effect any of these actions may result in certain margin increases or events of default under the amended financing arrangements. For more information, see “Description of Certain Financing Arrangements.”

We paid \$51.8 million in security in connection with LTV requirements noted above. We are currently pursuing the CdP Financing and the disposition of a 51% interest in CdP and a 49% interest in Malta Freeport Terminal Ltd, although there can be no assurance that we will be able to consummate these transactions in a timely manner, or on commercially satisfactory terms or at all. For more information, see “Description of Certain Financing Arrangements—Implementation of the Restructuring Principles.” We believe these actions will reduce our leverage and improve our liquidity, while, together with cash expected to be generated from operations, providing sufficient cash flow to support our organic growth and maintain our competitive position.

As of December 31, 2010, we had \$4,865.2 million net debt on a pro forma basis after giving effect to the Yildirim Investment, our amendments to our financing arrangements, the issuance of the notes offered hereby, the application of the net proceeds therefrom and the satisfaction of the Escrow Release Conditions Precedent. We are current in all payments under our instruments of indebtedness, and upon satisfaction of the Escrow Release Conditions Precedent, there will not be any remaining defaults under our financing arrangements and we will be in compliance with all financial covenants therein. For further information, see “Description of Certain Financing Arrangements.”

Presentation of Financial Information; Comparability of Information

Our audited consolidated financial statements for the years ended December 31, 2010 and 2009 included elsewhere in this Luxembourg listing particulars have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (“IFRS”).

Changes in accounting policies during the period presented are disclosed in note 2.2 to the consolidated financial statements included in the F-pages of this Luxembourg listing particulars. None of these changes materially affected our financial performance or positions during the period presented.

Since June 30, 2009, the Company has been in breach of certain of its financial covenants under the provisions of certain of its financial debt agreements. Our lenders were able to declare the related indebtedness for these financial debts to be immediately repayable.

As of December 31, 2009, as no agreement had been reached with our lenders, the portion of our financial debts for which a breach of covenant was identified was classified as current in our consolidated balance sheet. As these events might give rise to material uncertainties regarding the Company’s ability to continue as a going concern, our auditors, without qualifying their audit opinion, included an emphasis of matter on the subject of the Company’s going concern in their audit report on our consolidated financial statements as of December 31, 2009.

As disclosed elsewhere in this Luxembourg listing particulars, to date in 2011 we have (i) agreed to new terms and conditions applicable to our financial debts with certain of our principal creditors and substantially all past breaches of covenants were waived or cured and (ii) secured financing for most of our future vessels to be delivered in 2011 and 2012. We believe that these new facts and circumstances alleviated the material uncertainties surrounding the Company’s ability to continue as a going concern. In addition, as a result of these amendments, \$3,055.1 million of our financial debt that was classified as current has been reclassified as non-current subject to the satisfaction of the Escrow Release Conditions Precedent.

We have presented certain financial data on a pro forma basis after giving effect to the Yildirim Investment, our amendments to our financing arrangements, the issuance of the notes offered hereby, the application of the net proceeds therefrom and satisfaction of the Escrow Release Conditions Precedent. Such pro forma financial data does not reflect the impact of the CdP Financing.

IFRS differs in significant respects from generally accepted accounting principles in the United States of America, or U.S. GAAP. In making an investment decision, investors must rely on their own examination of our company, the terms of the offering and the financial information contained in this Luxembourg listing particulars. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS, on the one hand, and U.S. GAAP on the other hand and how these differences might affect their understanding of the financial information contained herein.

Factors Affecting Our Results of Operations

Transport Volumes and Freight Rates

Cyclical Nature of Supply and Demand

Freight rates are cyclical in nature as the container shipping industry is highly dependent on the balance between demand for container shipping services and the supply of vessel and container capacity. To the extent that the supply-demand balance shifts, freight rates are subject to volatility. The demand for container shipping services is primarily driven by global and regional economic growth, geopolitical events, the shift in manufacturing from high cost developed countries in North America, Europe and Japan to low-cost countries predominantly in Asia, including China and India, and changes in the regulatory regimes affecting shipping. Changes in the demand for container shipping services (including in our main markets in the Americas, Asia,

Africa and Europe) are difficult to predict and are generally beyond our control. The global supply of vessel and container capacity is determined by the number and size of container ships in the world (including the charter market), their deployment into trades, the delivery of new ships, which typically involves considerable lead time, the conversion of container ships to other uses and the scrapping of older ships as well as the availability of containers, all of which are also generally beyond our control. In January 2011, the global orderbook of vessels was estimated to be 26.8% of the current capacity, as compared to approximately 65% as of January 2008. In 2010, however, certain major operators started to place orders again and this trend has continued in 2011 thus far.

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

Charter rates are also based on freight rates and, therefore, to the extent there is volatility in freight rates, our costs may be impacted. For example, we were able to negotiate relatively low charter rates for short-term charter agreements entered into in 2009 when freight rates were low. In 2010, we maintained these low charter rates despite the increase in freight rates. However, it is unlikely that we will continue to benefit from such low charter rates as compared to current freight rates.

Impact of the global economic activity and trade

As discussed above, the global economic and financial crisis and the fall in global economic output have resulted in a substantial decrease in world trade and therefore transport volumes in the second half of 2008 and in 2009. Whereas growth rates had reached double digits in 2006 and 2007, global container shipping transport volumes decreased by approximately 9% in 2009, as compared with 2008, in line with our transport volumes in 2009 as compared to 2008. At the same time, the deliveries of newly built vessels, which had been ordered in the preceding years, resulted in substantial overcapacity in 2009. This, in turn, led to significantly lower freight rates. Our average freight rates fell by 25.6% in 2009 as compared to 2008. The reduced transport volumes in combination with the fall in freight rates were the main reasons for the 30.2% decline in our revenues for the year ended December 31, 2009 compared with the previous year.

We, like our competitors, implemented specific operational protective measures to mitigate the decreased volumes and freight rates. For example, we cancelled or scaled back certain services that were particularly affected by the downturn, such as our Asia-Mediterranean and Asia-North America trade. In addition, we implemented “slow steaming” initiatives to cut costs and absorb capacity. Furthermore, we decided not to extend or negotiate reduced rates for certain short term charters that were maturing (charter rates being based on freight rates). This helped us reduce our vessel costs. While the implementation of these measures mitigated against the downturn, our financial results still significantly suffered as a result of the downturn.

Both transport volumes and freight rates substantially improved in 2010. We experienced a 14.7% increase in transport volumes in 2010 as compared to 2009, bettering the overall global container shipping transport volumes which increased by 13% (source: Drewry Q4 2010 Report). Our average freight rate for the year ended December 31, 2010 increased by 20.8% to \$1,519.8 per TEU, as compared to our average freight rate of \$1,257.8 per TEU for the year ended December 31, 2009. See “Industry Overview—Containership Demand,” “—Containership Supply” and “—Container Freight Rates” for a more detailed discussion of the development in transport volumes and freight rates.

As inventory restocking is now largely complete, demand, and hence volumes, are expected to return to more normal levels in 2011 even if favorable economic conditions persist. Downward pressure on freight rates from their record 2010 levels is expected in 2011.

Seasonal Fluctuations

We experience a number of factors that cause seasonal fluctuations in transport volumes, including increased demand for shipping services in the third and fourth quarters of the year in advance of the major western holidays and weaker demand in the first quarter, reflecting the decrease in consumer spending in the western countries as well as a lull in manufacturing activities in China due to the Chinese New Year celebrations.

As a result of these seasonal fluctuations, our cash flows from operations and revenue are not evenly distributed throughout the year, and it is difficult to estimate our results for the year until we are well into the second quarter.

Currency Fluctuations

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

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

In line with the industry practice, we typically charge our customers currency surcharges in times of volatility in foreign exchange rates. See “—Market-related risks—Foreign currency exchange rate risk.”

Fluctuations in Bunker Fuel Rates

The cost of marine or bunker fuel is one of our major operating costs, equal to 18.4% of our revenue in the year ended December 31, 2010. The price of marine or bunker fuel fluctuates largely in line with crude oil prices, which are subject to a number of economic and political factors. For example, due to recent political instability in the Middle East, fuel prices have increased by 20.4% between January 1, 2011 and February 28, 2011 (source: IPE e-Brent). We seek to pass fluctuations in bunker fuel prices on to customers through bunker fuel price adjustment factors that are negotiated in our customer contracts. In 2010, we managed to pass 89.4% of bunker fuel increases on to our customers. The implementation and degree that these costs can be passed through depends on existing market conditions, among other factors. As of December 31, 2010 approximately 7.5% of our anticipated bunker fuel consumption for 2011 was hedged. We estimate that, for 2010, a 10% increase in the spot purchase price of bunker fuel would have negatively impacted our EBITDA by approximately \$41 million (exclusive of the impact of any hedges), and assuming we would have been able to pass on 85% of the increase on to our customers.

Co-operation Agreements

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

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

- Slot purchase agreements, whereby carriers purchase slots on vessels of another carrier. When we purchase slots under slot purchase agreements, our only costs are payments made to the other carrier for the purchase of slots. We do not bear any of the costs associated with the vessel or shipment of the container. These agreements are not necessarily reciprocal, unlike vessel-sharing and swap agreements, and our slot purchases are not netted against our slot sales.

Under each of these co-operation agreements, we retain the ability to set our own freight rates.

Key Performance Indicators

We focus on the following key metrics when analyzing our performance and operating results:

- *Filling factor.* Filling factor measures the actual capacity of ships as they depart from primary ports as compared to the total capacity available on such ships;
- *Slot costs.* Slot costs focus on the total cost of operating a ship on a given line, including, among other things, rental costs, port costs, canal fees, and fuel and crew costs, per each TEU available on such ship; and
- *Contribution.* Contribution focuses on the revenue derived from a line, less the variable costs associated with running the line, such as stevedoring activities, agency commissions, overhead and container costs.

Taken together, these three metrics allow us to track the factors affecting our operating results at the most basic level. Using these metrics, we are able to monitor our profitability and allocate our fleet more efficiently, as well as maximize capacity utilization and better align our pricing structure.

Explanation of Key IFRS Income Statement Line Items

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

Revenue

Revenue includes shipping revenue, other transportation revenue, logistics revenue and revenue from other activities.

Shipping. Shipping revenue constitutes the largest proportion of our revenue and represented 87.3% and 90.6% of total revenue in 2009 and 2010, respectively. Shipping revenue includes all revenue, except land transportation, related to maritime transportation of containers, and is principally driven by freight rates and shipped volumes, but also includes revenue from other activities related to maritime container transportation, such as sales of slots, demurrage and storage (the fees we charge an importer for making use of our containers on our terminals or container yards beyond the customary grace period), as well as revenue related to the handling of containers and to the coverage of bunker fuel or currency valuation.

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

We establish base freight rates on a line-by-line basis and these rates vary widely depending upon the line and the direction of the voyage. For example, in 2010, our average freight rate on our Asia-to-Europe east-bound voyages was \$914 per TEU, while our average freight rate on our Asia-to-Europe west-bound voyages was \$1,958 per TEU. However, the level of base freight rates for a particular line does not necessarily have a direct relation to the contribution of that line to our operating income, as line-specific operating income is affected by

fixed and variable costs, as well as the capacity utilization of vessels deployed, all of which differ among lines. Because freight rates can vary significantly from line to line, a change in the mix of our lines in any given period can have a significant effect on the average freight rate (and revenue and profitability) during that period.

We also charge our customers various surcharges to reduce our exposure to certain market-related risks and extraordinary events. We periodically establish surcharges to our base rates in accordance with certain adjustment factors consistent with industry practice. In connection therewith, we review bunker fuel rates, currency exchange rates, and war risks and other extraordinary risks, and determine the related applicable rate-adjustment factors.

Other activities. Revenue from other activities includes other transportation, logistics, and other activities. Other transportation revenue, derived from the inland transport of containers, constituted 6.7% and 5.5% of total revenue in 2009 and 2010, respectively. A typical container delivery includes both ocean shipment and inland transport legs. Although our primary activity is port-to-port container shipping services, we also provide door-to-door transportation services to our customers. In these cases, we either provide for the inland transportation of the container via our own rail and barge operations, or, as is more common, we sub-contract for rail, barge or trucking services from other companies. We do not offer inland transport services independent of container shipping services.

Logistics revenue represented 2.5% and 2.0% of total revenue in 2009 and 2010, respectively. Logistics revenue is primarily derived from the transfer of containers from ships to other transport or storage facilities in port at our owned or jointly-owned terminal operations.

Revenue from other activities represented 3.5% and 1.8% of total revenue in 2009 and 2010, respectively, and includes primarily agency revenues such as bill of lading, documentation fees or forwarding commissions, travel and cruise revenues, rentals of offices or containers and other miscellaneous items.

Operating Expenses

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

Bunkers and consumables. Bunkers and consumables expenses consist of the costs of purchasing bunker fuel and costs of other supplies, such as lashing material for on-board containers, fuel for on-board diesel generators and auxiliary motors, and paint for our vessels. Bunkers and consumables represented 22.6% and 19.0% of our operating revenue in 2009 and 2010, respectively. The primary component of bunkers and consumables during the period under review was the purchase of bunker fuel, which amounted to \$2,635.1 million in 2010, or 97.1% of our bunkers and consumables expenses, and 18.4% of our total operating revenue in 2010. The principal factors that determine the amount of bunker fuel we purchase during a given period are the number, size and speed of our vessels. In 2010, we purchased 5.9 million tons of bunker fuel at an average price of \$457.8 per ton. The price we pay for bunker fuel has historically been volatile.

As a response to the global economic downturn, we implemented slow steaming initiatives, which allowed us to significantly reduce fuel consumption on our ships on a ship-by-ship basis and thus reduce our costs. For example, during the first half of 2007, we burned 801 kilograms of bunker fuel per TEU transported, while during the first half of 2010, we burned 644 kilograms of bunker fuel per TEU transported. The quantity of bunker fuel purchased in 2010 was comparable to that used in 2007, despite the significant increase in our volumes by 17.7% between December 2007 and December 2010.

We seek to lower our expenses by avoiding bunker fuel purchases in areas where prices are higher. In addition, we try and pass on to our customers bunker fuel surcharges based on the bunker fuel adjustment factors we have established consistent with industry practice. These surcharges are allocated to shipping revenue. We also partially hedge our exposure to price fluctuations by entering into forward purchases, in addition to purchasing bunker fuel on a spot basis. See “—Factors Affecting Our Results of Operations—Fluctuations in Bunker Fuel Rates” and “—Market-related risks—Risk arising from bunker fuel price fluctuations.”

Chartering. Chartering expenses consist of costs of chartering our vessels from third parties. These costs represented 15.6% and 11.2% of our operating revenue in 2009 and 2010, respectively. The cost of chartering our vessels is the primary component of chartering expenses. Our chartering expenses are principally driven by a combination of three factors: market charter rates, changes in the size and composition of our fleet and the time at which and duration for which a given charter rate is set. Ship charter rates have historically fluctuated

significantly. We generally seek to own or charter on a long-term basis our larger vessels, i.e., 3,000 TEUs or more, which are difficult to obtain at cost-effective rates in the charter market, and to charter on a short-term basis our smaller vessels, i.e., 3,000 TEUs or less, which are more readily available. As of December 31, 2010, we chartered 305 vessels (or 63.9% of our capacity), of which we chartered 71 vessels on a long-term basis (or 30.2% of our capacity) and 234 vessels on a short-term basis (or 33.7% of our capacity), and owned 91 vessels (or 36.1% of our capacity). We do not incur additional costs for crew provisioning, maintenance, repair or hull insurance with respect to vessels we charter. Chartering expenses do not include the costs of our owned vessels. See “Risk Factors—Risks Relating to Our Business—Fluctuations in ship charter rates may adversely affect us and our financial performance.”

Handling and stevedoring. Handling and stevedoring expenses, which are charges by terminal operators for the loading and unloading of containers and related services, represented 23.1% and 19.0% of our operating revenue in 2009 and 2010, respectively.

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

Transportation. Transportation expenses relate to on-carriage or pre-carriage of full containers loaded on our vessels. Containers can be loaded on trucks, barges or rail. Transportation expenses represented 11.1% and 8.2% of our operating revenue in 2009 and 2010, respectively.

Port and canal. Port and canal expenses consist of charges we pay to ports, on a per-call basis, for a variety of services, including: berthing, tug services, sanitary services and utilities, and payments made to canal operators, on a per-passage basis, for use of the canal. Canal expenses are primarily attributable to passages through the Suez Canal and the Panama Canal. Port and canal expenses represented 8.7% and 6.7% of our operating revenue in 2009 and 2010 respectively.

Logistics. Logistic expenses relate mainly to the cost of our fleet of containers and include such items as container and chassis rental, container and chassis maintenance and repairs. Logistic expenses represented 7.4% and 6.0% of our operating revenue in 2009 and 2010 respectively.

Employee benefits. Employee benefits expenses consist of the salaries and other employee benefits, including social security payments, of our administrative personnel, our navigating staff, the personnel of our consolidated shipping agencies and stevedores at our port terminal operations. Employee benefits represented 9.7% and 6.9% of total operating revenue in 2009 and 2010, respectively. Our employee benefit costs related to our owned vessels that are staffed by French officers and French crew are generally higher than our personnel costs related to vessels where we hire officers and crew from a third-party employment agency.

General and administrative other than employee benefits. General and administrative other than employee benefits includes third party agency and forwarder commissions, auditor fees, legal, consultancy, IT and other professional services, rental and non-operating lease expenses, other taxes, communication costs, insurance and other miscellaneous costs. General and administrative expenses other than employee benefits represented 6.0% and 4.3% of our operating revenue in 2009 and 2010, respectively.

Other operating losses/(gains). Other operating expenses include empty container transportation, storage of containers, handling of containers in depots and the purchase of slots from other shipping companies. Other operating income includes activity-based rebates, for instance, for tugs and stevedoring activities. In certain circumstances, we purchase slots on vessels of other carriers in order to establish a line where we are not present and where we do not believe it is cost-effective to deploy our own vessels. We generally do not purchase more than 500 TEU per scheduled sailing, as we believe that above this volume level it is likely to be cost-effective to deploy our own vessel. As of December 31, 2010, we operated 18 of our 155 main lines through the purchase of slots on the vessels of third-party carriers. Other operating income/expense, net, represented 1.8% and 1.0% of our operating revenue for 2009 and 2010, respectively.

Other Expenses

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

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

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

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

Cost of net debt. Cost of net debt includes interest expense on financial debt, interest income from cash and cash equivalents, and financial assets at fair value through profit and loss and realized foreign currency exchange gains and losses on cash and cash equivalents and financial debt. Going forward, our cost of net debt will likely increase due to increases in margins applicable under the recent amendments to our financing arrangements and the issuance of the notes offered hereby.

Other financial items. Other financial items consist of changes in the fair value of derivative instruments that do not qualify for hedge accounting, changes in fair value of financial assets at fair value through profit and loss and unrealized foreign currency exchange gains and losses on financial debt.

Income tax. We are subject to the French tonnage-based flat-rate taxation scheme (the “tonnage tax regime”) pursuant to Article 209-0 B of the French Tax Code. Comparable tax regimes exist in several other European countries. The French regime was approved by the European Commission on May 13, 2003. Under the tonnage tax regime, our French corporate income tax liability in respect of our container shipping activities is calculated by reference to the tonnage of our container vessels, irrespective of actual income earned, as long as at least 75% of our income is derived from the operation of our vessels. We made an initial election in 2004 to participate in this regime. The election is made for an irrevocable ten-year period and is renewable at the term of such period. In order to remain within the tonnage tax regime, the vessels we operate must be managed in France. In addition, we had to commit ourselves to increasing or at least maintaining under flags of EU Member States a specified proportion of tonnage. Should we fail to respect that last requirement, we may have to exclude from the tonnage tax regime the proportion of the non-EU flagged vessels we operate that cause us to fall below the minimum.

Recent Developments

Because of the usual seasonality of our industry, it is too preliminary in the year predict our results for 2011. However, we have been experiencing favorable demand across our lines in 2011 thus far. Our current expectation for 2011 is continued profitability, though at lower levels than in 2010 due to demand returning to more normal levels and expected declines in freight rates from the record rates in 2010. While bunker fuel costs have recently increased, we expect, consistent with current industry practice, to be able to pass most of the increase on to customers through our bunker adjustment factor as we have in the recent past (our bunker adjustment coverage

for 2010 was 89.4%). We also expect increases in the rates we pay for vessel charters. To date our results have not been materially affected by current events in Japan and the Middle East, given our relatively limited activity in those jurisdictions.

Year ended December 31, 2010 compared with year ended December 31, 2009

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

	Year ended December 31,			
	2009		2010	
	(\$ millions)	Percentage	(\$ millions)	Percentage
Shipping	9,209.8	87.3%	12,950.8	90.6%
Other transportation	704.4	6.7%	790.8	5.5%
Logistics	260.5	2.5%	287.2	2.0%
Other activities	368.6	3.5%	262.1	1.8%
Total revenue	10,543.3	100%	14,290.9	100%

Revenue

Revenue increased \$3,747.6 million, or 35.5%, from \$10,543.3 million in 2009 to \$14,290.9 million in 2010, principally due to an increase in shipping revenue over the period. We had a total of 396 ships as of December 31, 2010 with a total capacity of 1.224 million TEU compared to a total of 352 ships as of December 31, 2009 with a total capacity of 1.04 million TEU.

Shipping revenue increased by 40.6%, or \$3,741.1 million from \$9,209.8 million in 2009 to \$12,950.8 million in 2010, as a result of both increases in volumes transported and average freight rates. Volumes transported increased from 7,882.4 thousand TEU in 2009 to 9,041.5 thousand TEU in 2010, a 14.7% increase. The average freight rate (calculated as shipping revenue and other transportation revenue divided by total TEU volumes transported) increased 20.8% from \$1,257.8 per TEU in 2009 to \$1,519.8 per TEU in 2010, principally reflecting improvements in the supply-demand balance on some of the major trade routes, which enabled us to increase prices.

Other transportation revenue increased by 12.3%, or \$86.4 million, from \$704.4 million in 2009 to \$790.8 million in 2010, primarily due to the 14.7% increase in volumes transported.

Logistics revenue increased by 10.2%, from \$260.5 million in 2009 to \$287.2 million in 2010, primarily due to a \$14.4 million increase from our terminal operations in Latakia, Syria, a \$4.8 million increase in revenue from our operations at Malta Freeport Terminal Ltd. and a \$2.9 million increase from various other stevedoring activities throughout our network of agencies and stevedores. These increases are primarily related to increases in volume, as well as the full year impact of our operations at our terminal in Latakia, Syria which was acquired in 2009.

Other activities revenue decreased 28.9%, from \$368.6 million in 2009 to \$262.1 million in 2010. Agency revenues increased by \$42.1 million, from \$119.2 million in 2009 to \$161.2 million in 2010. Cruise revenues decreased by \$57.6 million, from \$62.8 million in 2009 to \$5.1 million in 2010, primarily due to the reclassification as revenues from activities held for sale of cruise activity stemming from the planned sale of such cruise activity. Container rentals decreased \$4.2 million, from \$18.3 million in 2009 to \$14.1 million in 2010. Other miscellaneous items decreased \$86.7 million, from \$168.4 million in 2009 to \$81.6 million in 2010, primarily due to a \$53.1 million increase in rebates and commissions paid on sea freight.

Operating Expenses

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

	Year ended December 31,			
	2009		2010	
	(\$ millions)	Percentage of revenue	(\$ millions)	Percentage of revenue
Bunkers and consumables	2,384.7	22.6%	2,714.6	19.0%
Chartering and slot purchases	1,649.8	15.6%	1,597.1	11.2%
Handling and stevedoring	2,434.5	23.1%	2,762.1	19.3%
Transportation	1,165.3	11.1%	1,174.5	8.2%
Port and Canal	912.1	8.7%	954.0	6.7%
Logistics	786.6	7.5%	863.7	6.0%
Employee benefits	1,019.5	9.7%	989.5	6.9%
General and administrative	637.4	6.0%	609.1	4.3%
Subtractions/(additions) to provisions and allowances, net of reversals and impairment of inventories and trade receivables	62.9	0.6%	(4.0)	—
Operating exchange losses/(gains), net	44.3	0.4%	(29.0)	—
Other operating expense/(income), net	188.4	1.8%	148.6	1.0%
Operating expenses	11,285.6	107.0%	11,780.2	82.4%

Operating expenses increased by 4.4%, from \$11,285.6 million in 2009 to \$11,780.2 million in 2010, primarily due to a 13.8% increase in bunkers and consumables, a 13.5% increase in handling and stevedoring, a 0.8% increase in transportation, a 4.6% increase in port and canal, a 9.8% increase in logistic expenses, partially offset by a 3.2% decrease in chartering and slot purchase, a 2.9% decrease in employee benefits, a 4.4% decrease in general and administrative, a 165.5% decrease in operating exchange gains or losses, and a 21.2% decrease in other operating income or expense.

Bunkers and consumables increased 13.8%, from \$2,384.7 million (or 22.6% of operating revenue) in 2009 to \$2,714.6 million (or 19.0% of operating revenue) in 2010. This increase is mainly as a result of a 14.2% increase in our bunker cost, from \$2,307.9 in 2009 to \$2,635.1 in 2010, resulting from a 34.4% increase in average purchase price, from \$340.5 per ton in 2009 to \$457.8 per ton in 2010. This increase was partially offset by a 1.8% decrease in fuel and diesel oil consumption, from 6,024.0 thousand tons in 2009 to 5,916.9 thousand tons in 2010, as well as a \$330.4 million decrease in settlements on bunker swaps, which decreased from a cost of \$256.6 million in 2009 to a gain of \$73.7 million in 2010. Other consumables increased 3.6%, from \$76.7 million in 2009 to \$79.5 million in 2010.

Chartering and slot purchase expenses decreased 3.2%, from \$1,649.8 million (or 15.6% of operating revenue) in 2009 to \$1,597.1 million (or 11.2% of operating revenue) in 2010, mainly as a result of a 9.0% decrease in chartering expenses, from \$1,528.6 million in 2009 to \$1,390.7 million in 2010, which principally reflects a 15.6% decrease in average charter cost, from \$15,931 per ship per day in 2009 to \$13,440 per ship per day in 2010, partially offset by a 4.7% increase in the number of chartered ships, from an average of 276 chartered ships in 2009 to an average of 289 chartered ships in 2010. Slot purchase and related expenses increased 70.3%, from \$121.2 million in 2009 to \$206.4 million in 2010, primarily due to a 34.4% increase in average price of bunkers, which usually accounts for more than 50% of slot cost, and an increase in the number of slot purchase agreements.

Handling and stevedoring increased 13.5%, from \$2,434.5 million in 2009 (or 23.1% of operating revenues) to \$2,762.1 million in 2010 (or 19.3% of operating revenues). This increase is mainly related to a 11.8% increase in stevedoring of full containers, from \$1,998.5 million in 2009 to \$2,235.2 million in 2010, consistent with the 14.7% increase in volumes transported, a 9.0% increase in empty container stevedoring, from \$408.9 million in 2009 to \$445.7 million in 2010, and a 200.7% increase in other stevedoring expenses, such as security surcharges and storage, from \$27.0 million in 2009 to \$81.2 million in 2010, resulting from increased security checks in most ports.

Transportation cost increased 0.8%, from \$1,165.3 million in 2009 (or 11.1% of operating revenue) to \$1,174.5 million in 2010 (or 8.2% of operating revenue). This moderate increase reflects a 41.5% decrease in pre- or post-carriage by sea, from \$307.3 million in 2009 to \$179.8 million in 2010, mainly reflecting the fact

that, due to the implementation of slow steaming, more ports are called directly because slow steaming allows for additional time to call at more ports, and a 15.9% increase in land transportation related to the increase in volumes transported.

Port and canal expenses increased 4.6%, from \$912.1 million in 2009 (or 8.7% of operating revenue) to \$954.0 million in 2010 (or 6.7% of operating revenue). Port cost increased 3.6%, from \$558.8 million in 2009 and \$578.7 million in 2010, mainly reflecting a marginally higher number of port calls and a stable number of ships, from an average number of 374 ships deployed in 2009 to 374 in 2010. Canal costs increased 6.2%, from \$353.3 million in 2009 to \$375.3 million in 2010, reflecting approximately a 2.0% increase in the number of passages, from 908 in 2009 to 926 in 2010.

Logistic expenses increased 9.8%, from \$786.6 million (or 7.5% of operating revenue) in 2009 to \$863.7 million (or 6.0% of operating revenue) in 2010. Logistic expenses primarily relate to the rental of containers and equipment, which increased 10.6%, from \$325.7 million in 2009 to \$360.4 million in 2010, due to a 12.8% increase in the average rented container fleet, from 912.9 thousand TEU in 2009 to 1,030.1 thousand TEU in 2010, a 9.4% increase in maintenance and repairs of our container fleet (owned or rented), from \$106.1 million in 2009 to \$116.0 million in 2010, resulting from a 6.3% increase in the average fleet of containers (rented or owned), from 1,634.1 million TEU in 2009 to 1,737.3 million TEU in 2010, a 6.3% decrease in container depot storage and handling charges, from \$193.3 million in 2009 to \$181.0 million in 2010, and a 27.5% increase in fleet balancing costs, from \$161.7 million in 2009 to \$206.2 million in 2010.

Employee benefits expenses decreased 2.9%, from \$1,019.5 million in 2009 (or 9.7% of operating revenue) to \$989.5 million in 2010 (or 6.9% of operating revenue), primarily due to a decrease in crew costs of 19.4%, from \$165.4 million in 2009 to \$133.3 million in 2010, partially set off by a 7.2% increase in recruiting and training costs, from \$29.3 million in 2009 to \$31.4 million in 2010. Costs for non-crew personnel remained stable at \$824.8 million in 2009 and 2010. In addition, average headcount increased slightly to 17.1 thousand people at December 31, 2009 compared to 17.5 thousand at December 31, 2010. Our European employee cost basis was also positively affected by the decrease of the euro against the U.S. dollar over the period from an average of 1.39 to 1.32 U.S. dollars per euro.

General and administrative expenses decreased 4.4%, from \$637.4 million in 2009 (or 6.0% of operating revenue) to \$609.1 million in 2010 (or 4.3% of operating revenue). General and administrative expenses consist of agency commissions paid to third-party agencies, which increased 9.6%, from \$200.2 million in 2009 to \$219.5 million in 2010, mainly due to an increase in average revenue; communication expenses, which decreased 8.4%, from \$29.9 million in 2009 to \$27.4 million in 2010; insurance cost, which increased 3.6%, from \$55.7 million in 2009 to \$57.7 million in 2010; and fees, bank expenses and other costs such as rentals, which decreased 13.4%, from \$351.6 million in 2009 to \$304.4 million in 2010, largely as a consequence of a 23.3% decrease in fees relating to our IT subsidiary CMA CGM Systems and other fees, from \$217.4 million in 2009 to \$166.8 million in 2010. Because a significant portion of our general and administrative expenses are in Europe, we also benefited from a more favourable conversion rate of the euro against the U.S. dollar over the period.

Additions to provisions, net of reversals and impairment of inventories and trade receivables decreased by \$66.9 million, from a cost of \$62.9 million in 2009 (or 0.6% of operating revenue) to a gain of \$4.0 million (or 0.0% of operating revenue) in 2010, mainly as a result of a 45.8% decrease in addition to contingencies and allowances, from \$108.2 million in 2009 to \$58.6 million in 2010, a 23.8% increase in reversals, from \$60.1 million in 2009 to \$74.5 million in 2010, and an 18.5% decrease in other items such as loss on operating receivables, from \$14.5 million in 2009 to \$11.8 million in 2010.

Our net operating exchange gains/(losses) went from a loss of \$44.3 million in 2009 to a gain of \$29.0 million in 2010 as a result of a 64.9% decrease in exchange gain, from \$193.6 million in 2009 to \$68.0 million in 2010, offset by a 83.6% decrease in exchange losses, from \$238.0 million in 2009 to \$39.0 million in 2010.

Other operating income and expenses, net decreased from \$188.4 million in 2009 (or 1.8% of operating revenue) to \$148.6 million in 2010 (or 1.0% of operating revenue).

Gains/losses on disposal of property and equipment and subsidiaries

Gains/losses on disposal of property and equipment and subsidiaries decreased \$69.2 million, from \$74.9 million (or 0.7% of operating revenue) in 2009 to \$5.7 million (or 0.0% of operating revenue), in 2010 mainly due to a \$28.9 million reduction in gain on disposal of vessels, from \$29.0 million in 2009 to \$0.1 million in

2010, a \$33.5 million reduction in gain on disposal of consolidated assets, from \$36.3 million in 2009 to \$2.4 million in 2010, and an \$8.5 million reduction in gain on disposal of containers, from \$9.6 million in 2009 to \$1.2 million in 2010.

Profit/(loss) before depreciation, amortization, interest and taxes

As a result of the factors described above, profit before depreciation, amortization, interest and taxes increased \$3,183.8 million, from a loss of \$667.3 million in 2009 to a gain of \$2,516.5 million in 2010.

Depreciation, amortization and impairment of assets and risk associated to vessels

Depreciation, amortization and impairment of assets and risks associated to vessels decreased 50.0%, from \$832.6 million in 2009 to \$416.2 million in 2010, mainly as a consequence of :

- a \$447.9 million decrease in impairment, from \$499.5 million in 2009 to \$51.6 million in 2010. The impairment in 2009 is primarily due to a \$392.0 million charge, which consists of a \$301.5 million down-payment and an additional \$90.5 million relating to potential future obligations to shipyards, related to cancellation of certain ships, as well as the impairment of three additional ships to be disposed of for \$84.2 million. The impairment in 2010 related primarily to a \$27.7 million impairment on four vessels which were cancelled in 2009 and which we took delivery of in 2010 as chartered vessels from third-party owners after having paid a make whole premium to the shipyard;
- a 15.1%, or \$25.1 million, increase in vessel depreciation, from \$166.9 million in 2009 to \$192.1 million in 2010, resulting primarily in the full year impact of six new vessels acquired in 2009 (1 X 13,300 TEU, 2 X 11,400 TEU, 2 X 11,000 TEU and 1 X 8,500 TEU) and of 12 new vessels acquired in 2010 (4 X 13,300 TEU, 3 X 11,400 TEU, 1 X 11,356 TEU, 2 X 8,500 TEU and 2 X 6,500 TEU), partially offset by the full year impact of the sale of 14 vessels in 2009 and 6 vessels in 2010;
- a 0.1%, or \$0.1 million, increase in container depreciation, from \$80.0 million in 2009 to \$80.1 million in 2010, resulting primarily from the relative stability in our owned container fleet from an average of 736.3 thousand TEU in 2009 to 719.7 thousand TEU in 2010; and
- a 7.4%, or \$6.3 million, increase in depreciation of other assets such as buildings and handling equipment, from \$86.2 million in 2009 to \$92.5 million in 2010.

Amortization of NPV benefit related to assets

Amortization of NPV benefit related to assets increased by 25.1% from \$43.5 million in 2009 to \$54.5 million in 2010, resulting primarily from the delivery of five vessels (2 X 13,300 TEU, 1 X 8,500 TEU and 2 X 6,500 TEU) with tax enhanced financing in 2010.

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

Share of profit/(loss) of associates and joint ventures increased by \$40.1 million, from a loss of \$30.0 million in 2009 to a gain of \$10.1 million in 2010, resulting from income generated primarily by Ports synergy, a joint venture in France involved in stevedoring activities, CMA CGM Systems, a joint venture with IBM involved in IT systems developments, and our joint ventures with our network of agencies. Our share of Global Ship Lease, Inc.'s net income, of which we hold a 45.1% stake, represented a \$1.8 million loss and \$3.7 million loss in 2009 and 2010, respectively. The profitability of Global Ship Lease, Inc. was affected over the period by, among other factors, non-cash changes in its interest rate swap derivatives.

Operating profit

As a result of the factors described above, operating profit increased \$3,651.2 million, from a loss of \$1,486.4 million in 2009 to a gain of \$2,164.8 million in 2010.

Cost of net debt

Cost of net debt increased 2.7%, from \$268.7 million in 2009 to \$276.0 million in 2010. Cost of net debt consists of interest from cash deposits, which decreased 60.4%, from \$10.7 million in 2009 to \$4.2 million in 2010, interest expense on financial debt, which increased 2.0%, from \$216.9 million in 2009 to \$221.2 million in 2010, exchange gains and losses, which improved \$92.6 million, from a cost of \$30.7 million in 2009 to a gain of \$61.9 million in 2010, mainly as a result of a \$209.2 million increase in exchange gains on debt reimbursement

not totally offset by an increase in exchange losses on debt reimbursement of \$118.7 million. Our 2010 cost of net debt was further increased by \$79.1 million of expenses relating to financial debt restructuring and a \$10.1 million decrease in variation of interest rate and foreign currency financial derivatives qualifying as hedges from a loss of \$31.8 million in 2009 to a loss of \$41.9 million in 2010.

Other financial items

Other financial items decreased \$520.0 million, from a gain of \$309.1 million in 2009 to a loss of \$210.9 million in 2010. Other financial items were impacted by:

- an \$85.6 million increase in other financial items related to debt restructuring from \$13.5 million in 2009 to \$99.0 million in 2010;
- a \$367.4 million decrease in fair value of derivative instruments not qualifying for hedge accounting, from a gain of \$293.6 million in 2009 to a loss of \$73.8 million in 2010, mainly related to a \$184.3 million decrease in fair value on bunker hedges and to a \$100.5 million increase in financial settlements on currency swaps;
- a \$59.7 million decrease in fair value of financial assets through profit and loss, from \$63.5 million in 2009 to \$3.8 million in 2010;
- a \$13.3 million decrease from a gain of \$13.3 million in 2009 to \$0.0 million in 2010 on repurchase of the Senior Notes due 2012 and the Senior Notes due 2013;
- a \$32.1 million increase in interest for deferred payments from \$12.4 million in 2009 to \$44.6 million in 2010, relating to the delayed delivery of our orderbook;
- a \$34.7 million improvement in results from disposal of financial assets at fair value through profit and loss from a loss of \$37.8 million in 2009 to a loss of \$3.1 million in 2010;
- a \$16.4 million decrease in foreign currency exchange gains / (losses) on financial operations, from a gain of \$3.0 million in 2009 to a loss of \$13.5 million in 2010; and
- a \$19.8 million decrease in other financial income and expenses, net from a loss of \$0.6 million in 2009 to a gain of \$19.3 million in 2010, mainly related to a \$14.7 million reduction in reversals of provisions on financial risks.

Income tax

Income tax increased \$39.2 million, from a gain of \$15.4 million in 2009 to a cost of \$23.8 million in 2010.

Profit/(loss) for the year

As a result of the factors described above, profit for the year increased by \$3,084.6 million, from a loss of \$1,430.6 million in 2009 to a gain of \$1,654.0 million in 2010.

Non-controlling interest

Non-controlling interest, which consists mainly of shares held by third parties in some agencies and certain of our minor operating subsidiaries, such as CdP, increased 65.7%, from a cost of \$16.5 million in 2009 to a cost of \$27.3 million in 2010.

Profit for equity holders of the Company

As a result of the factors described above, profit for equity holders of the Company increased \$3,073.8 million, from a loss of \$1,447.0 million in 2009 to a gain of \$1,626.7 million in 2010.

Year ended December 31, 2009 compared with year ended December 31, 2008

Under IFRS, shipping revenue and costs directly attributable are recognized on a percentage of completion basis, which is based on the proportion of transit time completed at report date for each individual container. In 2009, we enhanced our financial information system and were able to fully recognize our shipping revenue and related costs on a percentage of completion basis. The impact of this change in estimates has been recognized prospectively in 2009 and represented an increase of shipping revenue and operating expenses by \$216.0 million and \$91.5 million in 2009 and 2008, respectively.

Revenue

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

	Year ended December 31,			
	2008		2009	
	(\$ millions)	Percentage	(\$ millions)	Percentage
Shipping	13,392.9	88.7%	9,209.8	90.6%
Other transportation	936.6	6.2%	704.4	5.5%
Logistics	303.4	2.0%	260.5	2.0%
Other activities	462.0	3.0%	368.6	1.8%
Total revenue	15,094.8	100%	10,543.3	100%

Revenue decreased by 30.2%, from \$15,094.8 million in 2008 to \$10,543.3 million in 2009, principally due to a decrease in shipping revenue and the average freight rate during the period. We had a total of 352 ships as of December 31, 2009 with a total capacity of 1.040 million TEU compared to a total of 395 ships as of December 31, 2008 with a total capacity of 1.023 million TEU.

Shipping revenue decreased by 31.2%, from \$13,392.9 million in 2008 to \$9,209.8 million in 2009, as a result of decreases in both volumes transported and average freight rate. Volumes transported decreased 9.0%, from 8,662.0 thousand TEU in 2008 to 7,882.4 thousand TEU in 2009. Our subsidiaries ANL and Cheng Lie Navigation accounted for 43.3% of the decrease in volumes transported in 2009. In addition, our Asia to Mediterranean lines and North American network of lines accounted for 27.3% and 21.0%, respectively, of the decrease in volumes transported. The average freight rate (calculated as shipping revenue and other transportation revenue divided by total TEU volumes transported) decreased 20.9%, from \$1,591.0 per TEU in 2008 to \$1,257.8 per TEU in 2009, principally reflecting the reduction in volumes available for transportation.

Other transportation revenue decreased by 24.8%, from \$936.6 million in 2008 to \$704.4 million in 2009, primarily due to a 9.0% decrease in volumes transported, but also due to the impact of decreased transportation price per container relating to the lower cost of bunker fuel.

Logistics revenue decreased by 14.1%, from \$303.4 million in 2008 to \$260.5 million in 2009, principally due to a \$22.5 million decrease in stevedoring revenue from our Moroccan subsidiaries, a \$14.7 million decrease in revenue from Malta Freeport Terminal Ltd., and to a decrease amounting to \$5.6 million in revenue from various other stevedoring activities throughout our network of agencies and stevedores. These decreases were primarily related to decreases in volumes.

Revenue from other activities decreased 20.2%, from \$462.0 million in 2008 to \$368.6 million in 2009. Agency revenues decreased 15.6%, from \$141.2 million in 2008 to \$119.2 million in 2009, as a result of decreasing volumes and freight rates. Cruising revenues decreased by 67.3%, from \$191.9 million in 2008 to \$62.8 million in 2009, mainly due to the sale of the ferry activity of Comanav in the beginning of 2009. Rentals decreased 32.4%, from \$27.1 million in 2008 to \$18.3 million in 2009, and other miscellaneous items increased 65.4%, from \$101.8 million in 2008 to \$168.4 million in 2009, mainly due to a \$37.9 million reduction in rebates paid on sea freight.

Operating Expenses

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

	Year ended December 31,			
	2008		2009	
	(\$ millions)	Percentage of revenue	(\$ millions)	Percentage of revenue
Bunkers and consumables	3,525.9	23.4%	2,384.7	22.6%
Chartering and slot purchases	2,304.0	15.3%	1,649.8	15.6%
Handling and stevedoring	2,728.9	18.1%	2,434.5	23.1%
Transportation	1,565.0	10.4%	1,165.3	11.1%
Port and Canal	958.2	6.3%	912.1	8.7%
Logistic	858.7	5.7%	786.6	7.5%
Employee benefits	1,089.9	7.2%	1,019.5	9.7%
General and administrative other than employee benefits	715.4	4.7%	637.4	6.0%
Subtractions (additions) to provisions and allowances, net of reversals and impairment of inventories and trade receivables	(10.6)	0.1%	62.9	0.6%
Operating exchange losses/(gains), net	(6.5)	—	44.3	0.4%
Other operating income/(expense), net	201.4	1.3%	188.4	1.8%
Operating expenses	13,930.4	92.3%	11,285.6	107.0%

Operating expenses decreased by 19.0%, from \$13,930.4 million in 2008 to \$11,285.6 million in 2009, and as a percentage of revenue from 92.3% of revenue in 2008 to 107.0% of revenue in 2009. The decrease in operating expenses from 2008 to 2009 was primarily due to a significant decrease in bunkers and consumables expenses during the period, reflecting a \$177.5 decrease per ton of bunker fuel as well as an 8.6% decrease in oil consumption as well as a significant decrease in chartering cost.

Bunkers and consumables decreased by 32.4%, from \$3,525.9 million (or 23.4% of operating revenue) in 2008 to \$2,384.7 million (or 22.6% of operating revenue) in 2009, mainly as a result of the decrease in our bunker consumption from 6,589.9 thousand tons in 2008 to 6,024.0 thousand tons in 2009 (an 8.6% decrease), combined with a 33.7% decrease in average purchase price, from \$513.4 per ton in 2008 to \$340.5 per ton in 2009. Settlements on bunker swaps increased \$228.2 million, from a cost of \$28.4 million in 2008 to a cost of \$256.6 million in 2009. Consumables variation and variation in inventories account for the difference.

Chartering expenses decreased by 28.4%, from \$2,304.0 million (or 15.3% of operating revenue) in 2008 to \$1,649.8 million (or 15.6% of operating revenue) in 2009, as a result of an 18.5% decrease in chartering expenses, from \$1,876.4 million in 2008 to \$1,528.6 million in 2009, mainly related to a decrease in average charter cost from \$18,210.7 per ship per day in 2008 to \$15,930.6 per ship per day in 2009 and the decrease in the average number of ships chartered from 294 in 2008 to 276 in 2009. This decrease in average charter cost per TEU and in number of ships relates to charter renegotiations at the end of 2008 of 180 ships. In addition, there was a decrease in slot purchase and related expenses from \$427.6 million in 2008 to \$121.2 million in 2009, which is attributable to the significant decrease in average slot price because of fuel adjustment clauses and the termination of certain of our slot purchase agreements, mainly on U.S. trades.

Handling and stevedoring expenses decreased 10.8%, from \$2,728.9 million in 2008 (or 18.1% of revenue) to \$2,434.5 million in 2009 (or 23.1% of revenue) in 2009. This decrease is mainly related to the 9.0% decrease in volumes transported, which was partially offset by the strengthening of the U.S. dollar against the euro, a 5.4% decrease from an average of \$1.47 for 2008 to an average of \$1.39 for 2009.

Transportation costs decreased 25.5%, from \$1,565.0 million in 2008 (or 10.4% of operating revenue) to \$1,165.3 million in 2009 (or 11.1% of operating revenue). The decrease in transportation costs is partially due to the 9.0% decrease in volumes transported combined with the decrease in bunker fuel prices (which are passed on to CMA CGM by our vendors through mechanisms similar to the bunker adjustment factor).

Port and canal expenses decreased 4.8%, from \$958.2 million in 2008 (or 6.3% of operating revenue) to \$912.1 million in 2009 (or 8.7% of operating revenue). Port costs remained stable at \$558.0 million in 2008 compared to \$558.8 million in 2009, while canal costs decreased \$46.9 million, from \$400.2 million in 2008 to \$353.3 million in 2009, through the reduction in the number of passages.

Logistic expenses decreased 8.4%, from \$858.7 million (or 5.7% of operating revenue) in 2008 to \$786.6 million (or 7.5% of operating revenue) in 2009. Logistic expenses are mainly related to rental of containers and equipment, which decreased 1.6%, from \$331.1 million in 2008 to \$325.7 million in 2009, partially offset by a marginal increase in the rented container fleet from 1,004.1 thousand TEU as of December 31, 2008 to 1,023.1 thousand TEU as of December 31, 2009. Maintenance and repairs of our fleet of containers (owned or rented) decreased 14.5%, from \$124.1 million in 2008 to \$106.1 million in 2009, and container depot storage and handling charges increased 2.3%, from \$189.0 million in 2008 to \$193.3 million in 2009. Further, fleet balancing costs decreased 24.6%, from \$214.5 million in 2008 to \$161.7 million in 2009, mainly due to the overall reduction in activity as illustrated by the 9.0% reduction in volumes transported.

Employee benefits expenses decreased 6.5%, from \$1089.9 million in 2008 (or 7.2% of revenue) to \$1,019.5 million in 2009 (or 9.7% of revenue). Crew costs decreased 13.4%, from \$191.1 million in 2008 to \$165.4 million in 2009, mainly due to the reduction in number of owned ships from 98 units as of December 31, 2008 to 85 units as of December 31, 2009. Costs for non-crew personnel decreased 3.9%, from \$858.0 million in 2008 to \$824.7 million in 2009. The strengthening of the U.S. dollar against the euro from \$1.47 to \$1.39 also positively affected our European employee cost base. Headcount decreased from approximately 17.7 thousand people at December 31, 2008 to 17.1 thousand people at December 31, 2009.

General and administrative expenses decreased 10.9%, from \$715.4 million in 2008 (or 4.7% of operating revenue) to \$637.4 million in 2009 (or 6.0% of operating revenue). Agency commissions decreased 26.4%, from \$272.1 million in 2008 to \$200.2 million in 2009, principally reflecting reduced volumes and freight rates. Communication expenses decreased 38.5%, from \$48.6 million in 2008 to \$29.9 million in 2009, due to an effort to reduce expenses in 2009. Insurance cost decreased 5.5%, from \$59.0 million in 2008 to \$55.7 million in 2009, due to lower activity. Fees, bank expenses and other general and administrative expenses grew 4.7%, from \$335.7 million in 2008 to \$351.6 million in 2009, mainly as a result of increased fees.

Additions to provisions and allowances, net of reversals decreased \$73.5 million, from a gain of \$10.6 million in 2008 to a cost of \$62.9 million in 2009, mainly as a result of a 31.0% increase in addition to contingencies, from \$82.7 million in 2008 to \$108.2 million in 2009, a 38.2% decrease in reversals, from \$97.3 million in 2008 to \$60.1 million in 2009, and a \$10.4 million increase in other items, such as loss on operating receivables, from \$4.1 million in 2008 to \$14.5 million in 2009.

Our net operating exchange gains/losses reversed from a gain of \$6.5 million in 2008 to a loss of \$44.3 million in 2009, principally as a result of a 40.3% decrease in exchange gain, from \$301.0 million in 2008 to \$193.6 million in 2009, which was partially offset by a 19.2% decrease in exchange losses, from \$294.4 million in 2008 to \$238.0 million in 2009.

Other operating expenses, net decreased by 6.4%, from \$201.4 million in 2008 to \$188.4 million in 2009, but increased as a proportion of revenue from 1.3% of revenue in 2008 to 1.8% in 2009. The decrease in the amount of other operating expenses, net was principally due to a reduction in vessel maintenance and repair related to the sale in 2009 of 14 aged vessels.

Gains and losses on disposal of property and equipment and subsidiaries

Gains and losses on disposal of property and equipment and subsidiaries decreased \$21.3 million, from a gain of \$96.2 million in 2008 to a gain of \$74.9 million in 2009, mainly due to the sale of 14 ships with a total capacity of 24,566 TEU and the sale of the ferry business of our subsidiary Comanav (including its five passenger ships).

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

As a result of the factors described above, profit before depreciation, amortization, interest and taxes decreased by \$1,928.0 million from a gain of \$1,260.7 million in 2008 to a loss of \$667.3 million in 2009.

Depreciation, amortization and impairment of assets and risks associated to vessels

Depreciation, amortization and impairment of assets and risks associated increased by 164.8%, from \$313.6 million in 2008 to \$832.6 million in 2009, mainly as a consequence of:

- a \$499.5 million increase in impairment, from \$0.0 in 2008 to \$499.5 million within 2009, due to the cancellation of 18 ships from our orderbook. As a result, we booked an impairment charge of \$301.5 million on prepayments, which had been paid to the yard, and added an additional \$90.5 million to

cover possible additional cancellation costs. We have also accounted for a \$84.0 million impairment relating to the sale of three 6,500 TEU vessels, as well as \$48 million relating to the impairment of goodwill related to certain terminal operations located in Morocco;

- a 0.5%, or \$0.8 million, increase in vessel depreciation, from \$166.1 million in 2008 to \$166.9 million in 2009. The number of owned container vessels decreased from 98 to 85 when 14 vessels were sold, but we also acquired six larger new vessels during this time period, including one 13,300 TEU vessel, two 11,400 TEU vessels, two 11,000 TEU vessels and one 8,500 TEU vessel;
- a 5.1%, or \$4.3 million, decrease in container depreciation, from \$84.3 million in 2008 to \$80.0 million in 2009, as a result of the decrease in our owned container fleet of 61.6 thousand TEU from 748.6 thousand at the end of 2008 to 687.0 thousand TEU as at the end of 2009; and
- a 36.6%, or \$23.1 million, increase in depreciation of other assets, such as buildings and handling equipment, from \$63.1 million in 2008 to \$86.2 million in 2009.

Amortization of NPV benefit related to assets

Amortization of NPV benefit related to assets increased by 22.5%, from \$35.5 million in 2008 to \$43.5 million in 2009, mainly due to the full year impact of tax-enhanced ships delivered in 2008.

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

Share of profit/(loss) of associates and joint ventures decreased \$46.8 million, from a gain of \$16.9 million in 2008 to a loss of \$30.0 million in 2009. In each period, this income was related to Ports synergy, a French joint venture involved in stevedoring, CMA CGM Systems, a joint venture with IBM involved in IT systems developments, and our joint ventures with our network of agencies.

Operating profit

As a result of the factors described above, operating profit decreased by \$2,485.9 million, from \$999.5 million in 2008 to a loss of \$1,486.4 million in 2009.

Cost of net debt

Cost of net debt increased 19.6%, from \$224.7 million in 2008 to \$268.7 million in 2009. Cost of net debt consists of interest on cash deposits, which decreased 79.9%, from \$53.3 million in 2008 to \$10.7 million in 2009, interest expense on financial debt, which decreased 20.6% from \$273.2 million in 2008 to \$216.9 million in 2009, and foreign currency exchange losses, which increased \$26.0 million from \$4.7 million in 2008 to \$30.7 million in 2009, mainly as the result of losses on currency swaps.

Other financial items

Other financial items increased \$1,158.1 million from a loss of \$849.0 million in 2008 to a gain of \$309.1 million in 2009, principally due to a recorded change in fair value and settlement of a derivative instrument that do not qualify for hedge accounting, from a loss of \$943.4 million in 2008 to a gain of \$293.6 million in 2009. Other financial items were also impacted by:

- a \$145 million increase in fair value of financial assets from a loss of \$81.5 million in 2008 to a gain of \$63.5 million in 2009;
- a \$12.4 million increase in interests for deferred payments to shipyards from \$0.0 million in 2008 to \$12.4 million in 2009;
- a \$13.5 million increase in other financial items related to debt restructuring from \$0.0 million in 2008 to \$13.5 million in 2009;
- a \$183.6 million decrease in gains on repurchase of \$300 million of the Senior Notes due 2012 from a gain of \$196.9 million in 2008 to a gain of \$13.3 million 2009 as a result of the tender offer made in December 2008;
- a \$39.8 million improvement in realized foreign currency exchange gains/(losses) on financial operations from a loss of \$36.8 million in 2008 to a gain of \$3.0 million in 2009; and
- a \$17.2 million decrease in other financial income and expenses, net from a gain of \$16.6 million in 2008 to a loss of \$0.6 million in 2009, mainly as a result of a \$13.8 million decrease in dividends received.

Income tax

Total tax decreased \$182.8 million, from a gain of \$198.2 million in 2008 to a gain of \$15.4 million in 2009, mainly related to the recognition of a deferred tax asset related to the extension of our contract as operators of Malta Freeport Terminal Ltd. from 30 to 65 years in 2008, a \$168.2 million impact.

Profit for the year

As a result of the factors described above, profit for the year decreased by \$1,554.6 million, from a gain of \$124.0 million in 2008 to a loss of \$1,430.6 million in 2009.

Non-controlling interest

Non-controlling interest, which consists mainly of shares held by third parties in some of the agencies and certain of our minor operating subsidiaries, such as CdP, increased 31.4%, from a gain attributable to these non-controlling interests of \$12.5 million in 2008 to a gain of \$16.5 million in 2009.

Profit for equity holders of the Company

As a result of the above, profit for equity holders of the Company decreased \$1,554.6 million, from a gain of \$111.5 million in 2008 to a loss of \$1,447.0 million in 2009.

Liquidity and Capital Resources

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

Cash Flow

Net cash provided by operating activities

Net cash provided by operating activities was \$644.0 million, \$(947.5) million and \$1,677.8 million in 2008, 2009 and 2010, respectively.

	As of December 31,		
	2008	2009	2010
		(\$ millions)	
Profit/(loss) for the year	124.0	(1,430.6)	1,654.0
Depreciation, amortization and impairment of assets net of NPV benefit	278.0	289.6	310.2
Impairment of assets and risks associated to vessels	0.0	499.5	51.6
(Increase) / decrease in provisions for liabilities	(10.9)	46.3	(12.6)
Gain/(loss) on assets and subsidiary disposals	(96.2)	(74.9)	(5.7)
Income from equity investments	(16.9)	30.0	(10.1)
Net fair value (gain)/loss on financial derivatives	445.2	(384.6)	(105.9)
Deferred tax	(210.1)	(49.8)	(0.2)
Non-cash impact of assets at fair value through profit & loss	85.8	(23.5)	0.0
Accrued interests and other non-cash items	114.1	76.9	148.3
Financial income on bonds repurchase	(196.9)	(13.3)	0.0
Unrealized exchange (gain)/loss	(17.6)	(2.2)	(88.0)
Change in trade working capital	145.4	89.2	(263.7)
Net cash provided by operating activities	644.0	(947.5)	1,677.8

In 2010, we generated net cash from operating activities of \$1,677.8 million, principally reflecting profit of \$1,654.0 million for the period, depreciation and amortization of \$310.2 million, plus impairment of vessels and goodwill of \$51.6 million, plus decrease in provisions for liabilities of \$12.6 million, partially offset by gains on asset disposals of \$5.7 million, less share of loss or loss from investments under equity method of \$10.1 million and non-cash impact of bunker and swap hedging of \$105.9 million, plus accrued interest and other non-cash items of \$148.3 million, less negative change in trade working capital of \$263.7 million and unrealized exchange gains of \$88.0 million.

In 2009, we generated net negative cash from operating activities of \$947.5 million, principally reflecting a loss of \$1,430.6 million for the period, plus depreciation and amortization of \$289.6 million. Impairment of assets and risks associated to vessels totalled \$499.5 million (of which \$84.0 million was related to the sale of three of our 6,500-TEU ships, \$48.0 million for impairment of goodwill related to the acquisition of a Moroccan terminal, \$301.5 million related to impairment loss of down-payments for ordered but not financed ships and \$66.0 million relates to the cancellation of ordered but not financed ships) and decreases in provisions for liabilities for \$46.3 million, and the estimated remaining cost to cover any prejudice to the yards on and above the amount paid, less losses on assets disposals of \$74.9 million (reflecting mainly the sale of Comanav Ferry for \$35.0 million and the sale of the Berlioz, a 6,500-TEU ship, to Global Ship Lease, Inc. (“GSL”), plus share of income from subsidiaries under the equity method for \$30.0 million, less non-cash impact gains on bunker and swap hedging of \$384.6 million (of which \$274.0 million relates to bunker hedges), deferred tax impact of \$49.8 million, less non-cash impact of assets at fair value through profit and loss of \$23.5 million plus accrued interest and other non-cash items of \$76.9 million and positive change in trade working capital of \$89.2 million, less financial income on \$13.3 million repurchase of bonds and unrealized exchange gains of \$2.2 million.

In 2008, we generated net cash from operating activities of \$644.0 million, principally reflecting net income of \$124.0 million, plus depreciation and amortization of \$278.0 million, plus increase in provisions for liabilities of \$10.9 million, less gains on asset disposals of \$96.2 million, less share of income from subsidiaries under equity method of \$16.9 million, plus non-cash losses on bunker and swap hedging of \$445.2 million (mainly relating to bunker hedges for \$252.0 million and interest swaps for \$155.0 million), less deferred tax gain of \$210.1 million (mainly relating to Malta Freeport Terminal Ltd.) plus non-cash impact of assets at fair value through profit and loss of \$85.8 million, plus accrued interest and other non-cash items of \$114.1 million, plus negative change in trade working capital of \$145.4 million less financial income on \$196.9 million repurchase of bonds, and unrealized exchange gains of \$17.6 million.

Net cash used by investing activities

Net cash used by investing activities was \$1,711.2 million, \$615.2 million and \$1,047.2 million in 2008, 2009 and 2010, respectively.

	<u>As of December 31,</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
	(\$ millions)		
Acquisitions of intangible assets	(90.5)	(35.1)	(21.1)
Acquisitions of tangible assets*	(2,199.8)	(739.2)	(1,106.3)
Acquisitions/disposals of financial assets (excluding subsidiaries) ...	(84.7)	(14.9)	(13.9)
Disposal of fixed assets*	746.1	216.9	226.6
Acquisitions/disposals of subsidiaries net of cash acquired	(0.8)	68.7	0.4
Proceeds from disposal of financial assets at fair value through profit and loss, net of acquisitions	54.2	59.5	11.8
Variation in other investments	(135.5)	(172.0)	(144.6)
Net cash used by investing activities	(1,711.2)	(615.2)	(1,047.2)

*Includes amounts related to assets held for sale.

In 2010, net cash relating to investing activities was \$1,047.2 million, predominantly reflecting acquisitions of tangible assets for \$1,106.3 million relating mainly to acquisitions of vessels (\$762 million of which related to 12 vessels delivered in 2010 and \$156 million for vessels to be delivered in upcoming years), as well as real estate, stevedoring equipment and terminals and containers, and acquisitions of intangible assets for \$21.1 million relating mainly to IT developments. In addition, we acquired \$13.9 million of financial assets related to terminals net of disposals. Disposal of fixed assets provided \$226.6 million in cash, \$112.1 million of which related to the sale of ships, and \$11.8 million was provided by the sales of marketable securities. Net cash used for investing activities was finally increased by a variation of \$144.6 million in other investments, of which \$38.7 million was related to LTV.

In 2009, net cash relating to investing activities was \$615.2 million, predominantly reflecting acquisitions of tangible assets for \$739.2 million relating mainly to acquisitions of vessels, the construction or acquisition of real estate and the acquisition of stevedoring equipment and containers and \$35.1 million for acquisitions of intangible assets mainly relating to IT developments. In addition, we acquired financial assets mainly related to shares in terminals. Disposal of assets, including 14 vessels, real estate and other assets, provided \$216.9 million.

Disposal of our Moroccan ferry subsidiary, Comanav, provided \$68.7 million and disposal of marketable securities provided \$59.5 million. A variation of \$172.0 million in other investments, mainly related to LTV payments on vessels, contributed to the use of cash.

In 2008, net cash relating to investing activities was \$1,711.2 million, predominantly reflecting acquisitions of tangible assets for \$2,199.8 million relating mainly to delivery of vessels (including \$247 million for the delivery of four 5,100-TEU vessels, \$200 million for the purchase a fleet of three second-hand 4,000-TEU ships which was immediately sold to GSL, \$193 million down-payment for a fleet of eight 13,300-TEU vessels, \$123 million for a 10,960-TEU vessel which was immediately sold to GSL, \$122 million down-payment for a fleet of four 11,400-TEU vessels, \$119 million down-payment for a fleet of ten 3,600-TEU vessels, \$117 million for the delivery of two 4,400-TEU vessels, \$108 million down-payment for a fleet of six 1,700-TEU vessels, \$103 million for the delivery of two 4,250-TEU vessels, \$84 million for the delivery of a 10,960 TEU vessel, \$77 million down-payment for a fleet of eight 8,500-TEU vessels, \$21 million down-payment for two 12,800-TEU ships, \$17 million down-payment for two cruise ships and \$18 million relating to various expenses in connection with ship purchases), as well as containers, real estate, stevedoring equipment and various other tangible assets. We also acquired intangible assets for \$90.5 million mainly relating to IT developments and financial assets for a total value of \$84.7 million, mainly relating to shares in terminals in China, Korea, Holland, Belgium and Morocco. Disposal of fixed assets provided \$746.1 million of which \$254 million for ships sold to GSL, as well \$115 million for the sale of two additional 4,250-TEU vessels, \$272 million for the sale of containers, \$103 million for the sale of ships by our subsidiaries Cheng Lie Navigation and Comanav and \$2 million for the sale of a building in the French West Indies. In addition, disposal of marketable securities contributed \$54.2 million to the cash generated by investing activities. A variation of \$135.5 million in other investment contributed to the use of cash, of which \$71 million was related to LTV of vessels and \$64 million was related to advances made on terminals and other investments.

Net cash provided by financing activities

Net cash provided by financing activities contributed to cash generation positively \$606.7 million in 2008, positively \$112.7 million in 2009 and negatively \$512.5 million in 2010.

	As of December 31,		
	2008	2009	2010
	(\$ millions)		
Increase in financial debts	1,321.1	757.2	447.9
Decrease in financial debts	(364.1)	(282.1)	(635.4)
Decrease in financial debts (leasing)	(246.3)	(191.4)	(308.2)
Refinancing of assets	(19.3)	(15.8)	0.6
Repurchase of notes	(80.3)	(139.5)	—
Dividends paid to non-controlling interests net of dividends received from equity investments	(4.4)	(15.7)	(17.3)
Net cash provided by financing activities	606.7	112.7	(512.5)

In 2010, net cash provided by financing activities was principally related to a \$447.9 million increase in financial debt (of which \$132 million related to a vendor loan on four 11,400-TEU ships and two 13,300-TEU ships, \$131 million related to drawing on debt for the same four 11,400-TEU ships, \$84.5 million related to drawing on our program of securitization of receivables, \$105.5 million related to debt acquired by our subsidiaries, CdP, Malta Freeport Terminal Ltd., Nord France Terminal (Dunkirk) and various other subsidiaries) while an amount of \$17.3 million in dividends was paid to minority shareholders of our network of agencies. Decrease in financial debt accounted for \$635.4 million, mainly related to \$243 million repayment on revolving credit facilities, \$116 million debt repayment on debt related to vessels, \$68 million repayment on our securitization of receivables, \$52 million repayment on debt related to containers, \$43 million repayment of debt on the Kessel vessel, \$30 million repayment of vendor loan on one of the 13,300-TEU vessels, \$25 million debt repayment to IBM Finance, \$24 million repayment on debt acquired by our stevedoring subsidiaries in Dunkirk and Malta Freeport Terminal Ltd. and \$34 million repayment related to various other debts. Decrease in leasing debt accounted for \$308.2 million, of which \$159 million related to vessels, including \$46 million for the 5,100-TEU ship sold in November, \$91 million related to containers, \$30 million related to the repayment of a vendor loan on a 13,300-TEU ship and \$28 million related to repayment on various other finance leases.

In 2009, net cash provided by financing activities principally related to \$15.7 million dividends mainly paid to minority shareholders of our network of agencies, a \$757.2 million increase in financial debt mainly relating to a \$368 million increase in debt related to the fleet of 11,400-TEU ships, a \$147 million increase in our

securitization of receivables program, a \$106 million increase in debt to acquire stevedoring equipment for Malta Freeport Terminal Ltd. and Somaport, a \$44 million increase in debt relating to real estate, \$22 million relating to debt on containers, and a \$70 million increase in debt relating to various other credit facilities. Decrease in financial debt accounted for \$282.1 million mainly related to a \$71 million repayment on debt related to the our vessel securitization financing, \$75 million repayment on vessel financing, \$43 million repayment on container financing and \$93 million mainly relating to repayment of a \$82 million pledge on the Berlioz, a 6,500-TEU ship sold to GSL in August 2009. Decrease in leasing debt accounted for \$191.4 million, of which \$73 million related to repayment of debt on vessels, \$81 million related to repayment on containers and \$37 million related to reduction in other liabilities principally related to real estate. In addition, refinancing of vessels contributed \$15.8 million to the reduction of debt. Finally, \$139.5 million was paid in January 2009 to holders of the Senior Notes due 2012 and Senior Notes due 2013 after a tender offer was completed in December 2008.

In 2008, net cash provided by financing activities related to a \$1,321.1 million increase in financial debt, of which \$915 million related to increase in debt relating to ships, \$165 million related to increase in debt relating to containers, \$127 million relating to increase in debt related to our new headquarters, \$82 million related to a pledge granted on the Berlioz and \$32 million related to an increase in various other debt mainly relating to stevedoring equipment. Dividends totaling \$4.4 million were paid to minority shareholders of our network of agencies. Decreases in financial debt accounted for \$364.1 million and was mainly related to the repayment of \$165 million of a credit facility granted to acquire Cheng Lie Navigation, as well as to \$88 million repayment on our vessel securitization financing, \$56 million relating to various other facilities on ship financings, \$18 million relating to debt on containers and \$37 million relating to other facilities. Decrease in financial leases accounted for \$246.3 million, of which \$143 million related to vessel financing, \$90 million relating to container financing, and \$7 million to various other assets. In addition, refinancing of vessels contributed \$19.3 million to the reduction of debt. Finally, \$80.3 million was paid to repurchase, through a tender offer and open market purchases, the Senior Notes due 2012 and the Senior Notes due 2013.

Sources of liquidity

Restructuring Principles

In connection with our Restructuring Principles, we have been entering into amendments to the instruments governing our financial indebtedness to, among other things, harmonize financial covenants. Pursuant to such amendments, we have committed to several actions intended to reduce our leverage and improve our liquidity, such as for example, we agreed to a net cash flow sweep mechanism. In addition, in accordance with the amendments to our financing arrangements, we agreed to dispose of a portion of our interest in certain assets, including a 49% interest in Malta Freeport Terminal Ltd. and a 51% interest in CdP, and to obtain financing for two CdP cruise ships to further strengthen our balance sheet. We also consummated the Yildirim Investment. Upon satisfaction of the Escrow Release Conditions Precedent, we will refinance our 2012 Senior Notes and our 2013 Senior Notes with the net proceeds of this offering. See “Description of Certain Financing Arrangements—Implementation of Restructuring Principles” and “Use of Proceeds.”

Ship financing facilities

We have financed a number of our ship purchase transactions utilizing capital lease structures. The terms of these financings are described under “Description of Certain Financing Arrangements.”

Securitization facility

In December 2008, we and our wholly owned subsidiaries, CMA CGM Antilles-Guyane S.A., Delmas and MacAndrews, securitized certain receivables based on their currency in various jurisdictions including, among others, France, United Kingdom, Germany, Japan and India. The maximum amount available under the securitization facility is €420 million and, as of December 31, 2010, we had drawn €230 million under this facility. This facility is more fully described in “Description of Certain Financing Arrangements—Securitization of Receivables.”

Bank facilities

We and certain of our consolidated subsidiaries have overdraft facilities pursuant to either written or oral agreements with a variety of commercial banks. As of December 31, 2010, the aggregate amount of our obligations outstanding under these overdraft facilities was \$32.3 million.

We have also entered into a number of credit agreements with financial institutions. In particular, to finance certain vessels, we entered into a \$1,113 million term loan mortgage facility in June 2007, a \$544 million secured credit facility in September 2007, and a \$150 million secured facility in 2006. In addition, we entered into a \$490 million term loan facility to finance containers in February 2007. In February 2006, we entered into an unsecured revolving credit facility for €400 million to finance the acquisition of Delmas, which amount was increased by €100 million in February 2006, and will become due and payable on February 4, 2013. We also have a €200 million secured term facility to finance the construction of our new headquarters. These facilities are more fully described in “Description of Certain Financing Arrangements.”

Under these credit facilities, we are subject to customary negative and positive covenants, including, for example, limitations on indebtedness, sale of assets and acquisitions. These credit facilities typically contain customary events of default, including cross default to certain other indebtedness and the occurrence of certain material adverse changes involving us. In addition, certain of these credit facilities have been amended to include additional formal and other covenants in accordance with the Restructuring Principles. We may also have to deposit additional cash collateral in connection with certain LTV requirements under these facilities. See “Description of Certain Financing Arrangements—Implementation of Restructuring Principles.”

As of December 31, 2010, we have drawn \$2,896.8 million under these credit facilities.

Shipping agencies

Our shipping agencies are generally responsible for the bill collection on the freight services they have sold. In the event a customer fails to pay the shipping agency, the shipping agency is still obligated to pay us for the services that we have provided. We generally allow shipping agencies to provide us with a bank guarantee insuring the performance of their financial obligations to us. Risks related to such bad debt have, however, been mitigated in part as a result of our increase in the proportion of our owned agencies in our network in recent years. We own or control a network of 114 shipping agencies representing approximately 95% of our volume output.

Capital Expenditures

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

	Year ended December 31,				
	2006	2007	2008 (\$ millions)	2009	2010
Ships	1,397.5	1,462.4	1,608.3	950.0	1,123.3
Containers	221.8	492.5	381.7	0.8	23.8
Software	30.5	48.2	89.9	98.0	19.0
Other ⁽¹⁾	173.3	221.4	307.7	264.8	209.9
Total	<u>1,823.1</u>	<u>2,224.5</u>	<u>2,387.6</u>	<u>1,313.7</u>	<u>1,376.0</u>

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

We expect capital expenditures of approximately \$1,264 million in 2011, of which \$919.0 million relates to nine new container vessels delivered or to be delivered in 2011, and approximately \$763 million in 2012, of which \$461.7 million relates to three new container vessels to be delivered in 2012. In addition, we expect capital expenditures of \$80.1 million for a cruise ship to be delivered in 2011. For further information, see “—Contractual Obligations and Commercial Commitments” and “Business—Operations—Vessel Fleet.”

Contractual Obligations and Commercial Commitments

The following table shows our contractual obligations and commercial commitments as of December 31, 2010, on a pro forma basis after giving effect to the Yildirim Investment, the amendments to our existing financing arrangements and the issuance of the notes offered hereby and the use of the proceeds therefrom (assuming that the Escrow Release Conditions Precedent are satisfied).

	As of December 31,						Total
	2011	2012	2013	2014	2015	After 2015	
	(\$ millions)						
Bank debt	403.5	370.7	802.3	217.8	212.1	925.9	2,932.3
Obligations under finance leases	440.8	190.2	128.0	100.9	225.9	328.5	1,414.3
Bank overdrafts	32.3	—	—	—	—	—	32.3
Securitization and other obligations	181.4	—	30.0	—	—	—	211.4
Notes offered hereby	—	—	—	—	—	909.3	909.3
Other financial debts	420.6	119.8	187.6	42.4	47.4	215.9	1,033.7
Debt related to assets classified as held for sale	283.5	—	—	—	—	—	283.5
Total debt obligations	1,762.2	680.7	1,148.0	361.1	485.3	2,379.6	6,816.8
Vessel purchase commitments—financed ⁽¹⁾	919.0	461.7	—	—	—	—	1,380.7
Vessel purchase commitments—non-financed ⁽²⁾	80.1	—	—	187.2	—	—	267.3
Vessel cancellation cash costs ⁽³⁾	90.5	—	—	—	—	—	90.5
Time charter payments							
Vessels in fleet	1,041.9	737.6	635.9	572.9	487.6	1,871.8	5,347.9
Vessels to be delivered	60.9	121.2	120.8	120.8	120.8	910.2	1,454.8
Container rentals commitment	322.9	264.0	231.2	189.7	163.2	390.7	1,561.7
Total commitments	2,515.3	1,584.5	988.0	1,070.7	771.6	3,172.7	10,102.8

- (1) These commitments relate (i) to the remaining amount to be paid for the construction of seven vessels to be delivered in 2011 and 2012 (one 11,400-TEU ship, three 11,356-TEU ships, two 8,465-TEU ships and one 16,000-TEU ship) and three ships delivered in 2011 (two 11,356-TEU ships and one 8,465-TEU ship), which vessels will be financed through existing capital leases and bank debt subject to customary conditions, and (ii) the remaining amount to be paid for the construction of two 16,000-TEU ships to be delivered in 2012, which vessels are currently presented as financed vessels because we have entered into a signed term sheet to provide financing in the aggregate amount of \$216.8 million, though no assurance can be given that agreements for such financings will be completed, including on such terms. For more information, see “Description of Certain Financing Arrangements” and “Business—Operations—Vessel Fleet.”
- (2) These commitments relate to the remaining amount to be paid for the construction of the Austral, a cruise ship to be delivered in 2011 for CdP, and three 1,700-TEU ships to be delivered in 2014 for which financing has not yet been arranged for \$80.1 million and \$187.2 million, respectively. Our remaining cash purchase price commitment (not including any additional costs upon delivery) to the shipbuilder of the Austral and Boreal cruise ships is to pay €124.9 million in connection with the acquisition of those vessels. We are in discussions with the shipbuilder according to which we would pay €87.7 million of such amount by April 15, 2011 and €37.2 million by July 31, 2011, though no agreement has yet been reached with the shipyard. We are currently seeking to obtain the CdP Financing to finance a portion of such amounts. If financing of such amounts is not obtained, we may be required to make such payments from our available cash. We have not reflected the CdP Financing in the table above.
- (3) This amount reflects any additional liabilities that may be owed in connection with our cancellation of certain vessels. We have cancelled or provided for alternate arrangements or are in negotiations with the shipyards or owners, as applicable, regarding 19 vessels. To date, we have reached a final agreement with the shipyard relating to three 1,700-TEU ships. Pursuant to our purchase agreements with the shipyards, they are obligated to mitigate any losses due to our cancellations. Thus far, one vessel has been sold to a third party. In addition, we have taken an additional four ships through charter arrangements in 2010 and expect to take in 2011 an additional four ships pursuant to similar arrangements. Therefore, we believe that this provision, together with the \$301.5 million already paid to the shipyards for the construction of these ships and mitigating efforts by the shipyard, will be sufficient to cover liabilities relating to the 11 unresolved contract disputes. For more information, see “Business—Operations—Vessel Fleet.”

We have not included commitments in the table above relating to certain vessels which we have ordered but for which we do not presently intend to accept delivery. We are currently involved in negotiations with the shipyards to cancel or provide for alternative arrangements with respect to these vessels. As noted in footnote 3

above, however, we have reserves for additional potential liabilities that may become due to the shipyards in connection with any such cancellations. For further information, see “Business—Operations—Vessel Fleet.”

Off Balance Sheet Arrangements

We have no off balance sheet arrangements, though we have certain other financial commitments outstanding. See note 29 to our consolidated financial statements for 2010 included elsewhere in this Luxembourg listing particulars.

Market-related risks

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

Risk arising from bunker fuel price fluctuations

A large part of our cost is related to bunker fuel. For each of the years ended December 31, 2009 and 2010, our consolidated income statement reflected \$2,307.9 million and \$2,635.1 million, respectively, of costs associated with bunker fuel. In 2010, we purchased limited amounts of our bunker fuel on the spot market as we have supply contracts with several major bunker fuel providers. Such costs are volatile as they are closely affected by changes in oil prices, as well as fluctuations in the value of the U.S. dollar against the euro. For example, due to recent political instability in the Middle East, fuel prices have increased by 20.4% between January 1, 2011 and February 28, 2011 (source: IPE e-Brent).

The years 2008, 2009 and 2010 have seen an unpredictable volatility in fuel prices that materially affected our hedging portfolio, part of which has been accounted for at fair value as opposed to hedge accounting, with changes in the value of such hedges impacting the income statement.

Since 2009, we have reassessed our bunker fuel hedging policy and have decided to no longer enter into positions or instruments that would not qualify for hedge accounting. In parallel, we have unwound certain hedges that were in place before 2009 in order to reduce the risk of downside. Although we retain some positions which will run until December 2013, some of which may from time to time not qualify for hedge accounting, our overall coverage is now down to 7.5% of expected bunker purchase for the year and we intend to maintain this coverage on a rolling basis, mainly through swaps.

We now focus on passing bunker fuel costs variation on to customers through bunker adjustment factors that fluctuate according to bunker fuel price fluctuation. This practice offsets increases in operating expenses due to such rises in fuel prices and limits our exposure to the risk of variations in bunker fuel costs. In 2010, we managed to pass 89.4% of bunker fuel price increases on to our customers. However, the implementation and degree that these costs can be passed through depends on existing market conditions, among other factors. In 2009, because of lower bunker fuel prices and our less frequent application of the bunker fuel adjustment due to market conditions and lingering contractual commitments, we were only able to pass on to customers 68.5% of the increase in fuel prices. In 2008, however, given high oil prices, we managed to pass on 77.1% of the increase in fuel price.

We estimate that, for 2010, a 10% increase in the spot purchase price of bunker fuel would have negatively impacted our EBITDA by approximately \$41 million (exclusive of the impact of any hedges), assuming that we would have been able to pass on to customers 85% of that increase.

Foreign currency exchange rate risk

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

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

Our current policy is not to hedge our foreign currency exchange exposure. In line with industry practice and subject to market conditions, we typically charge our customers currency surcharges in times of volatility in foreign exchange rates.

Interest rate risk

We are exposed to interest rate risk as a certain number of our borrowing facilities are subject to floating interest rates. Our interest rate risk is partially hedged through interest rate swap agreements. As of December 31, 2010, the floating rate amount borrowed under such facilities after taking into account hedging instruments was \$2,068.5 million. An increase of 100 basis points in interest rates would have resulted in a decrease in net income of \$59 million for the year ended December 31, 2010.

Significant Recently Issued Accounting Pronouncements

New IFRS accounting pronouncements applicable to the Company’s business and operations are presented in further details in the note 2.2 to the consolidated financial statements for 2010 and 2009 presented elsewhere in this Luxembourg listing particulars.

The Company applied IFRIC 12 “Service concession arrangements,” for the first time in 2010. This interpretation provides guidance on service concession arrangements by which a government or other public sector entity grants contracts for the supply of public services to private sector operators. This change in accounting principles was applied retrospectively and had the following effects on the Company’s consolidated financial positions.

	<u>As of January 1, 2009</u>	<u>As of December 31, 2009</u>
	(\$ millions)	
Other intangible assets	57.6	74.6
Property and equipment	(11.3)	(28.3)
Total equity*	(9.5)	(14.8)
Financial debt current and non-current portion	55.8	61.0

* Of which \$(5,646) thousand related to profit/(loss) for the year.

Except for the effect of the change in accounting policies presented above, there are no other recently issued, but not yet effective, accounting pronouncements which, if currently adopted, would have a material impact on the consolidated financial statements of the Company.

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) released an exposure draft on August 17, 2010 that is expected to significantly change current lease accounting practice under IAS 17 “Lease.” The exposure draft proposes a new model for lessee accounting under which a lessee’s rights and obligations related to minimum lease payments under all leases, existing and new, would be recognized on the balance sheet. The proposal would also require lessees to estimate the lease term, including the effect of potential renewal options at the beginning of the lease, and to re-assess these estimates throughout the lease term. This new model may significantly affect the presentation of financial statements and the financial measures used to assess the performance of all entities within the container shipping industry.

The boards’ conclusions in the exposure draft are tentative and subject to change until they issue a final standard. A significant number of comments were received as part of the comment letter process. The boards expect to issue a final standard in 2011. The effective date of this revised standard has not yet been determined but could be as early as 2014 or 2015 depending also on the European Union endorsement process.

At this early stage and considering potential changes in the proposed exposure draft, management has not yet estimated in detail its potential financial impact and business implications, including its strategy in terms of balance between owned and leased vessels and containers. Minimum lease payments related to the Company’s vessels under time charter and leased containers are presented in note 29.1 to the consolidated financial statements for 2010 and 2009.

Critical Accounting Policies and Significant Accounting Estimates

Note 2.4 to the Company's consolidated financial statements for 2010 included elsewhere in this Luxembourg listing particulars details accounting policies deemed to be significant by management. Critical accounting policies include, among others:

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

The preparation of financial statements under IFRS also requires the use of judgments, best estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Note 2.3 to the Company's consolidated financial statements for 2010 details accounting estimates deemed significant by management that include, among others:

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

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

INDUSTRY OVERVIEW

The information and data in this section relating to the international containership industry has been provided by Drewry Shipping Consultants (“Drewry”) and is taken from Drewry databases and other sources available in the public domain. Drewry has advised us that it accurately describes the international containership industry, subject to the availability and reliability of the data supporting the statistical and graphical information presented. Drewry’s methodologies for collecting information and data, and therefore the information discussed in this section, may differ from those of other sources, and do not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the containership industry.

Introduction

Container shipping was first introduced in the 1950s and has become the most common method for transporting many industrial and consumer products by sea. Global container trade has increased every year since the introduction of long-haul containerized shipping routes in the late 1960s, with the exception of 2009. Overall, container shipping has been the fastest growing sector of international shipping in the last three decades, growing at a compound annual growth rate of just over 8.0% in the period 1980-2010. Container shipping occupies an increasingly important position in world trade, benefiting from a shift in cargo transport towards unitization as well as from changes in world trade. High levels of trade growth have been sustained by a number of factors, the most notable of which is the growing separation between centers of consumption and production.

As a result of the financial crisis and the downturn in global economic activity, trade volumes declined in 2009 for the first time in the history of the industry. Compared to 2008, total volumes declined by approximately 9% in 2009. Renewed growth in the world economy in 2010 provided a boost to container demand, which was also supplemented by restocking of inventories. As a result, 2010 was a record year for the industry, with worldwide container movements growing by approximately 13%.

The downturn in demand in 2008 and 2009 also coincided with a period when supply was growing. At its peak in late 2008, the orderbook for new containerships was equivalent to almost two-thirds of the existing fleet. The industry underwent a realignment of supply and demand in 2009 and 2010 driven by cancellations of new vessel orders, slow steaming initiatives and the idling and scrapping of vessels. In January 2011 the orderbook had fallen to 26.8% of the existing fleet.

The imbalance between supply and demand and market sentiment led to the freight market reaching a cyclical low in 2009. However, freight rates for container ships recovered strongly in 2010 and reached record high levels as market fundamentals improved. With restocking now largely complete, demand is expected to return to more normalized levels, even if favorable economic conditions persist.

The following table presents the breakdown of global seaborne trade by type of cargo in 2000 and 2010.

World Seaborne Trade: 2000 & 2010

	Trade - Mill Tons		CAGR ⁽¹⁾	% Total Trade	
	2000	2010	2000-10 %	2000	2010
Dry Cargo					
Major Bulks	1,249	2,161	5.63	19.3	24.6
Coal	539	915	5.43	8.3	10.4
Iron Ore	489	1,004	7.46	7.6	11.4
Grain	221	264	0.90	3.4	2.8
Minor Bulks	901	1,018	1.23	13.9	11.6
Total Drybulk	2,151	3,179	3.99	33.3	36.2
Container Cargo	620	1,366	8.21	9.6	15.6
Non-container/General Cargo	720	610	-1.64	11.1	6.91
Total Dry Cargo	3,491	5,155	3.98	54.0	58.7
Liquid Cargo					
Crude Oil	2,079	2,276	0.91	32.1	25.9
Refined Pet Products	602	875	3.81	9.3	10.0
Liquid Chemicals	128	214	5.28	2.0	2.4
Liquefied Gases	168	261	4.54	2.6	3.0
Total Liquid Cargo	2,977	3,626	1.99	46.0	41.3
Total Seaborne Trade	6,468	8,781	3.11	100.0	100.0

(1) Compound annual growth rate.

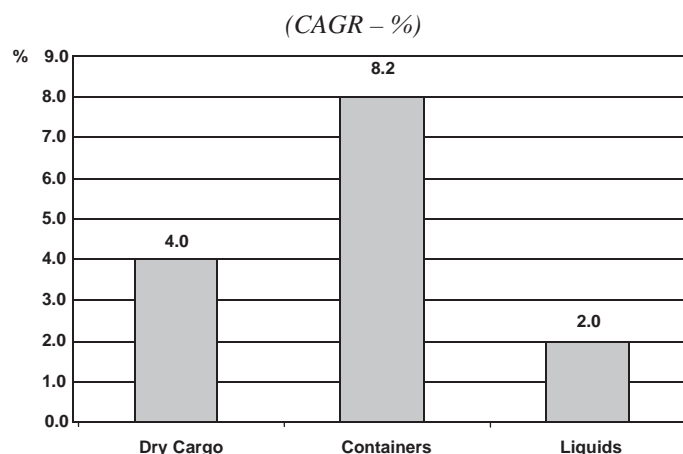
Source: Drewry

Seaborne trade can be broadly classified as either dry or liquid cargo. Dry cargo includes container cargo, dry bulks and non-container or general cargo as it is sometimes known. Container cargo is shipped in 20- or 40-foot containers and includes a wide variety of finished and semi-finished products. Dry bulk cargo is cargo that is shipped in large quantities and can easily be stowed in a single hold with little risk of cargo damage. Non-container cargo includes other dry cargoes which cannot be shipped in a container due to size, weight or handling requirements, such as large manufacturing equipment or large industrial vehicles. The balance of seaborne trade involves the transport of liquids or gases in tanker vessels and includes products such as crude oil, refined petroleum products and chemicals.

In 2010, approximately 8.8 billion tons of cargo of all types was transported by sea, of which 5.3 billion tons were dry cargo and 3.6 billion tons were liquids. Collectively, in the period 2000 to 2010, world seaborne trade has grown at a CAGR of 3.1%.

However, as the chart below indicates, the rate of trade growth varies from sector to sector, with containers being the fastest growing sector by a significant margin during this period.

Seaborne Trade Growth Rates: 2000 to 2010



Source: Drewry

Container Shipping

Container shipping is performed by container shipping companies who operate frequent scheduled or liner type services, similar to a passenger airline, with pre-determined port calls, using a number of owned or chartered vessels of a particular size in each service to achieve an appropriate frequency and utilization level.

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

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

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

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

Reduced Shipping Time. Containerships can travel at speeds of up to 25 knots per hour, even in rough seas, thereby transporting cargo over long distances in relatively short periods of time. This speed reduces transit time and facilitates the timeliness of regular scheduled port calls, compared to general cargo shipping. However, since 2008, due to higher fuel prices and the negative effects of the global recession, most operators are using slow steaming and deploying more ships on single voyages, which has ultimately increased overall round voyage times and changed shippers' supply chains. In addition, large container vessels are now sailing at under 20 knots on backhaul routes as part of global slow-steaming strategies to reduce costs. This has also had a positive environmental effect in helping to reduce ship emissions.

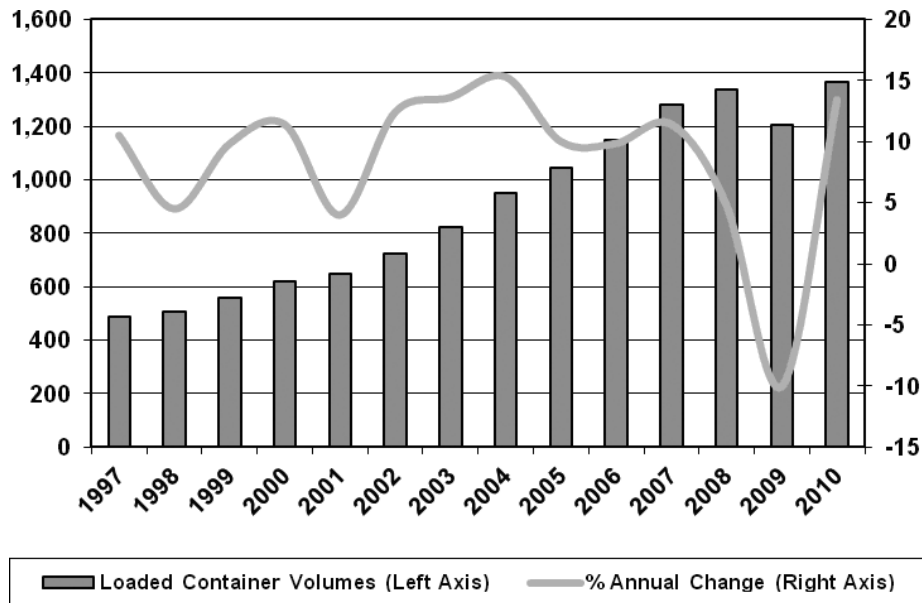
The containers used in maritime transportation are steel boxes of standard dimensions. The standard unit of measure of volume or capacity in container shipping is the 20-foot equivalent unit or TEU, representing a container which is 20 feet long and typically 8.5 feet high and 8.0 feet wide. A 40-foot long container is equivalent to two TEU. There are specialized containers of both sizes to carry refrigerated perishables or frozen products, as well as tank containers that carry liquids such as liquefied gases, spirits or chemicals. Forty feet high cube containers have become much more prevalent in recent years, since shippers can load more lightweight consumer goods from Asia in a single container, thus reducing overall costs.

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

Containership Demand

In 2010, approximately 1.4 billion tons of containerized cargo was transported by sea, comprising 15.6% of all seaborne trade by volume. However, as the chart below indicates, container trade recovered very strongly in 2010, rising by some 13% compared to 2009, following the downturn in the world economy.

World Container Cargo: 1997 to 2010
(Million Tons)



Source: Drewry

In 2009, the volume of container trade contracted for the first time in the history of the industry, due to the severity of the worldwide recession. For the year as a whole, the volume of global container trade was about 9% below that of the corresponding period in 2008, and at the same time, the size of the container fleet continued to grow. As a result of declining trade volumes and rising vessel supply, box and freight rates fell considerably in 2009 and global carrier revenues for the year were approximately 35% below those of 2008.

Container trade growth is in part dependent on levels of economic growth and regional/national gross domestic product, or GDP. GDP serves as the best indicator of prospective container volumes, although the events of 2008/09 suggest that the link between GDP growth and container growth is not as strong as it was perceived and, in fact, given the long time in between the order of a new vessel and its delivery, an economic downturn can have a disproportionate effect on the container industry.

Inexpensive and reliable containerized transport has facilitated manufacturing and distribution processes that have accompanied globalization, allowing manufacturing to move away from traditionally high-cost production areas, such as Japan, Western Europe and North America, to lower-cost production areas, such as China, Vietnam and other parts of South East Asia. There has been little or no impact on the quality of the distribution process to the primary consumer markets. As an illustration of the relative low cost of containerized transportation, many technologically advanced countries are exporting component parts for assembly in other countries and re-importing the finished products. Manufacturers have also focused more on “just-in-time” delivery methods, which are facilitated by the fast transit times and frequent, reliable services offered by container line operators and the intermodal industry. However, the increased incidence of slow steaming has meant that reliability has become more important than speed to market.

In addition to the effect of general economic conditions, there are several structural factors that also impact global container trade, including:

- increases in world trade;
- increases in global sourcing and manufacturing; and
- continuing penetration by containerization of traditional shipping sectors, such as bulk and refrigerated cargo markets.

Operators have shifted away from traditional methods of transporting general cargo and refrigerated perishables towards containerization, as more ports around the world introduce container handling technology and as container shipping productivity becomes more widely recognized. In addition, more traditional bulk cargos such as grains and soya bean have gravitated towards containerization modes when pricing differentials dictate.

The high growth rate in the container market has outpaced investment in port and canal infrastructure with the consequence that there is congestion in some parts of the transportation chain. Congestion increases ships' time in transit and reduces overall efficiency. Finally, as the largest containerships are deployed in the major trade routes, incremental tonnage is required to feed cargo to these mother ships from ports that either do not have the volume or the infrastructure to serve very large vessels directly. Congestion and increasing trans-shipment also absorb additional ship capacity.

World container port throughput, a measure of the level of activity of the container shipping industry, is made up of three different traffic streams: loaded containers, empty containers and trans-shipment containers (full and empty).

In the period from 2000 to 2010, port movements of loaded containers more than doubled from just over 200 million TEU in 2000 to 540 million TEU in 2010.

Regionally, the Far East and South East Asia markets accounted for 52% of global port throughput in 2010, compared with the other major markets of Western Europe and North America, which accounted for 24% of global throughput. Collectively, these four regions accounted for 76% of all container port throughput in 2010.

Main Container Routes

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

Trade along these routes is primarily driven by the U.S. and European consumer demand for products made in Asia. The size of trade between Asia and the Mid-East is also nearly as large as that on the transatlantic and should be considered as a major east-west route on which carriers can deploy very large vessels (so called "post-panamax vessels").

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

Different routes are usually served by vessels of different sizes as determined by the size of the trade, required service frequency and physical constraints of the ports visited.

The East/West routes are higher volume and longer than the regional routes and, as a result, are generally served by large containerships known as panamax, post-panamax and large/very large. The North/South trade routes are generally served by the smaller handysize, intermediate and panamax containerships. However, in recent years where capacity has out-stripped demand, carriers have deployed much larger vessels in some of these smaller or regional trades. Regional routes are generally served by feeder and handysize containerships. The following table shows the trade routes on which different sizes of containerships are likely to be suitable to trade:

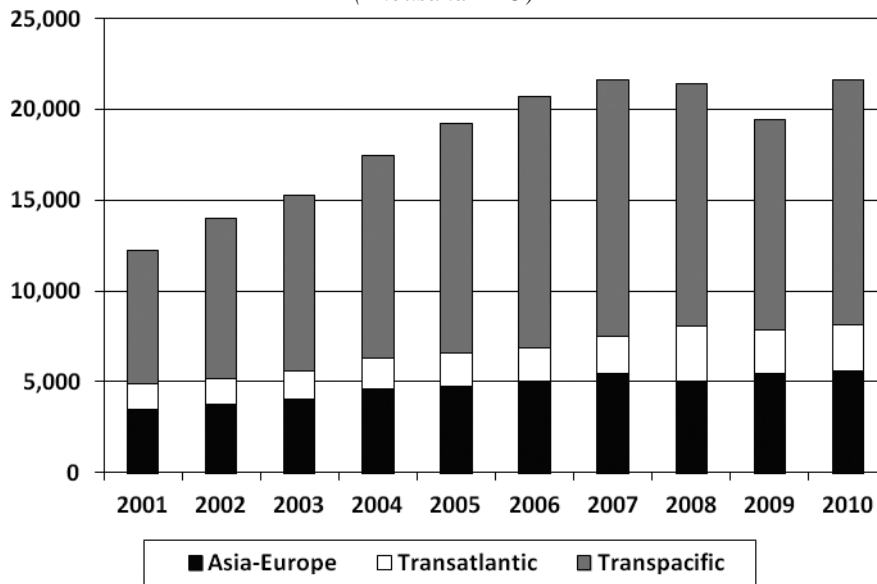
Containerships -Typical Deployment by Size Category

TEU	<1,000	1,000-1,999	2,000-2,999	3,000-4,999	5,000-7,999	8,000+
East/West Routes			✓	✓	✓	✓
Intra-Asia	✓	✓	✓	✓		
North/South Routes	✓	✓	✓	✓		
Intra-Regional Routes	✓	✓	✓			

Source: Drewry

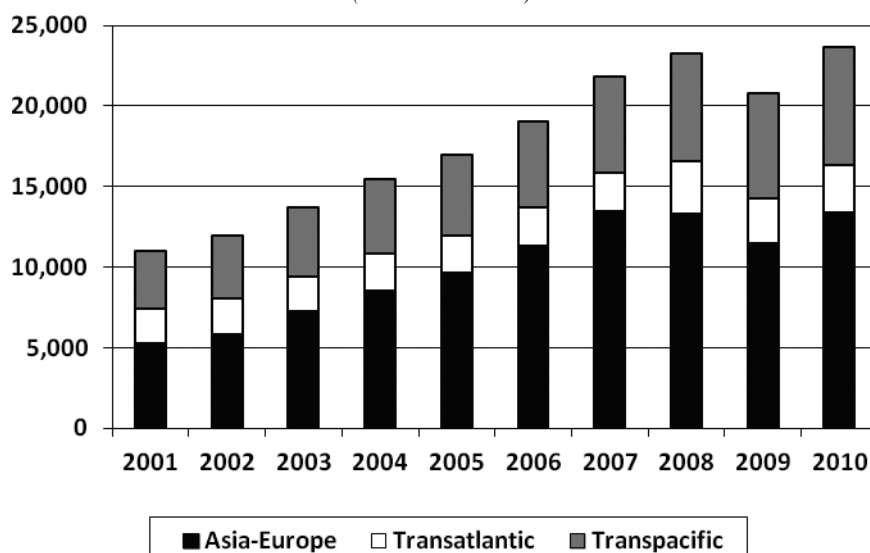
The chart below shows the growth, in volume, of the three East/West trades from 2001 to 2010. These trades constitute approximately 30% of global volume.

East/West Container Trade Routes: 2001 to 2010—Eastbound
(Thousand TEU)



Source: Drewry

East/West Container Trade Routes: 2001 to 2010—Westbound
(Thousand TEU)



Source: Drewry

The process of globalization, China's entry into the World Trade Organization in 2001 and the boom in cheap manufacturing have fueled global economic development and demand. As a result, almost all trade routes with the Far East have experienced significant annual growth in container traffic since 2001, with the exception of 2009.

There is a difference in volumes between the front haul and backhaul trades, meaning the volume moved eastbound and westbound to and from its point of origin, with the imbalance being as much as three-to-one in the dominant direction, that is eastbound. For the backhaul Mid-East to Asia route, this can reach as high as four-to-one. Container traffic is therefore unbalanced on many global trade routes and in some cases the gap is widening. The reason for the imbalance in backhaul trades is the divide between export-dominated and import-dominant countries for containerized goods, which is largely related to the shift of manufacturing to low cost countries.

While continued growth in the front haul direction is encouraging, the imbalance impacts supply, the level and pace of newbuilding and ocean freight rates in the backhaul supply trades. Re-positioning costs for empty containers for ocean carriers are also considerable.

Containership Supply

Containerships are typically “cellular,” which means they are equipped with metal guide rails to allow for rapid loading and unloading, and to provide for more secure carriage. Partly cellular containerships include roll-on/roll-off vessels or “ro-ro” ships and multipurpose ships which can carry a variety of cargo including containers. Containerships may be “geared,” which means they are equipped with cranes for loading and unloading containers, and thus do not need to rely on port cranes. Geared containerships are typically 2,500 TEU and smaller. All large containerships are fully cellular and call at ports with adequate shore-based loading and unloading equipment and facilities. Ships range in size from vessels able to carry less than 500 TEU, to those with capacity in excess of 12,000 TEU. The main categories of ship are broadly as follows:

- **Large & Very Large:** Ships with a capacity of 8,000 TEU or greater, which are restricted to employment on a small number of routes.
- **Post-Panamax:** Ships with a capacity of 5,000 to 7,999 TEU, so-called because of their inability to trade through the existing Panama Canal due to dimension restrictions. However, there are plans to widen the existing Panama Canal, with completion scheduled in 2014, which will allow ships up to 12,000 TEU to transit the waterway.
- **Panamax:** Ships with a capacity between 3,000 to 4,999 TEU, which is the maximum size that the Panama Canal can currently handle.
- **Intermediate:** Ships with a capacity between 2,000 and 2,999 TEU, which are generally able to trade on all routes.
- **Handysize:** Smaller ships with capacities ranging in size from 1,000 to 1,999 TEU, for use in regional trades.
- **Feeder:** Ships of less than 1,000 TEU, which are normally employed as feeder vessels for trades to and from hub ports.

While new investment in the container shipping industry has tended to concentrate on building gearless vessels for the larger trade routes as port infrastructure improves, geared vessels are still very important for regional trade lanes and areas such as West Africa, the eastern coast of South America and certain Asian regions, including Indonesia, where port infrastructure may be poor or, in some cases, non-existent.

In January 2011, the world fleet of fully cellular containerships consisted of 4,741 vessels totaling 13.89 million TEU in nominal capacity. These figures exclude multipurpose and ro-ro vessels with container carrying capability.

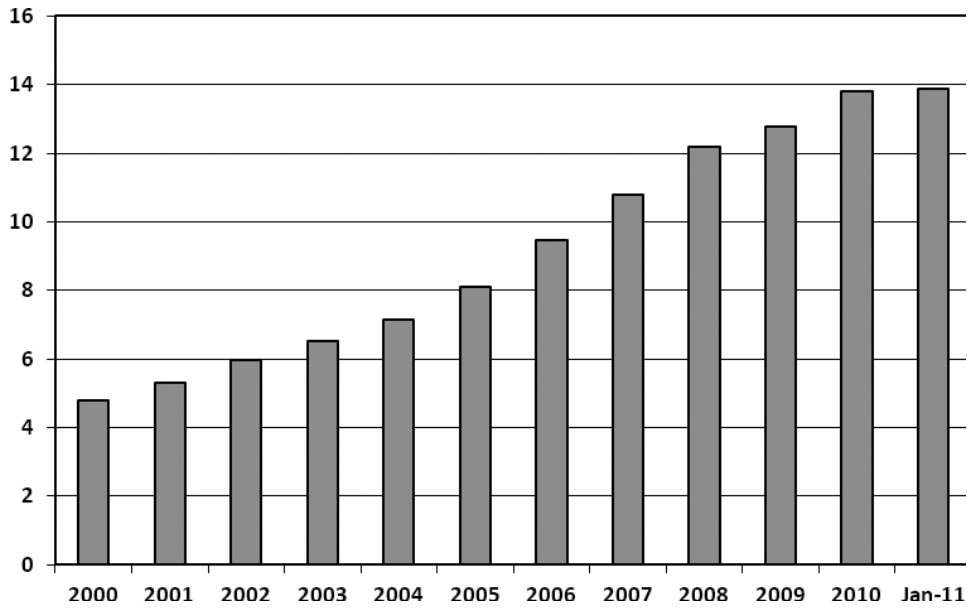
World Cellular Containership Fleet by Size: January 31, 2011

Ship Type	Size (TEU)	No.	TEU (Thousand)
Feeder	<1,000	1,079	647
Handysize	1,000-1,999	1,210	1,740
Intermediate	2,000-2,999	713	1,807
Panamax	3,000-4,999	914	3,725
Post-Panamax	5,000-7,999	520	3,108
Large	8,000-9,999	242	2,072
Very Large	10,000+	63	791
	Total	4,741	13,889

Source: Drewry

The fleet has grown rapidly to meet the increases in trade, rising from just under 5.0 million TEU at the end of 2000 to 13.9 million TEU at the end of January 2011.

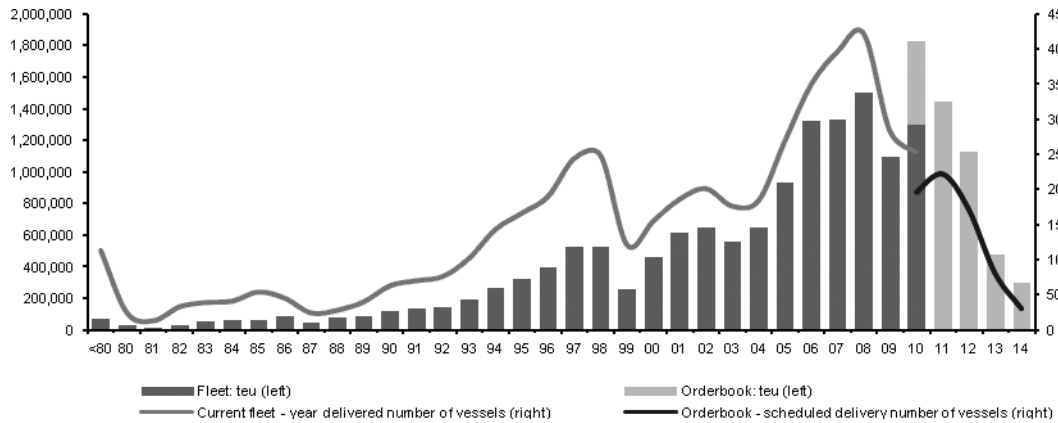
Development of World Container Fleet Capacity: 2000 to 2011
(Million TEU—End Period)



Source: Drewry

The non-weighted average age of containerships currently in service is 10 years, as of January 31, 2011. As a result of the relatively young age profile of most of the global container fleet, there has been little scrapping of containerships to date.

Container Fleet Age Profile: January 31, 2011

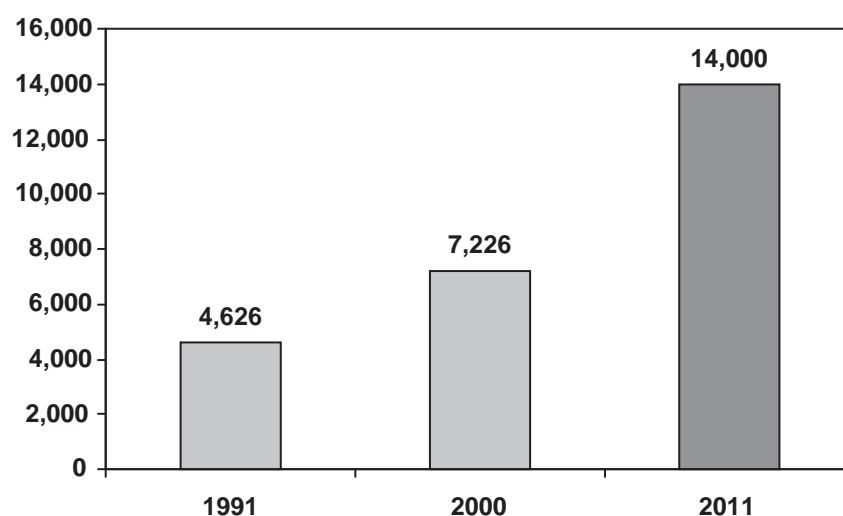


Source: Drewry

In tandem with the growth in size of the overall fleet there have also been steady increases in ship size. The average size of containerships in service in 1997 was 1,590 TEU, but by January 2011 the average size had increased to 2,930 TEU. It will continue to rise due to the number of large-sized containerships on order. Indeed, the average size of containership on order as of January 31, 2011 was 5,411 TEU.

Furthermore, in the last two decades, there has been a dramatic increase in the size of the largest vessel in service, as the following chart indicates.

The Containership Fleet—Single Largest Vessel in Service
(TEU)



Source: Drewry

In January 2011, the containership newbuilding orderbook in terms of TEU size was 3.7 million TEU, equivalent to 26.8% of the existing cellular containership fleet. The orderbook deliveries in 2011 represent approximately 13% of current capacity. In recent time, the major containership operators have concentrated on investments in large and very large containerships (8,000+ TEU), and this sector alone currently accounts for a third of all current containership orders, measured by capacity.

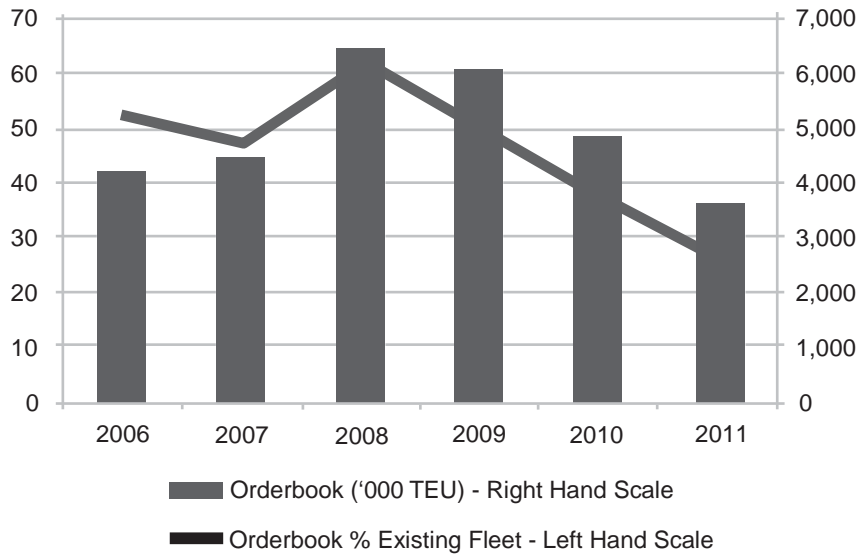
Containership Orderbook by Size, January 31, 2011

<u>Size Category</u>	<u>TEU</u>	<u>Number of Vessels</u>	<u>Capacity (Thousand TEU)</u>	<u>Orderbook Percent Existing Fleet</u>
Very Large	10,000+	114	1,403	177.4
Large	8,000-9,999	102	861	41.6
Post Panamax	5,000-7,999	75	486	15.6
Panamax	3,000-4,999	140	579	15.5
Intermediate	2,000-2,999	62	157	8.7
Handysize	1,000-1,999	140	195	11.2
Feeder	< 1,000	55	43	6.6
Total		688	3,723	26.8

Source: Drewry

The size of the orderbook built up rapidly in the period 2006 to 2008, when strong freight rates and robust demand on the key arterial east-west routes encouraged high levels of new ordering. Since then a combination of deliveries from the orderbook, orderbook cancellations and conversions, and an absence of new orders in 2009, has led to a situation where the size of the total orderbook and its relation to the size of the existing fleet has started to decline. In January 2011 the orderbook to existing fleet ratio was below the average seen in the period 2006—2010.

Containership Orderbook—% Existing Fleet⁽¹⁾

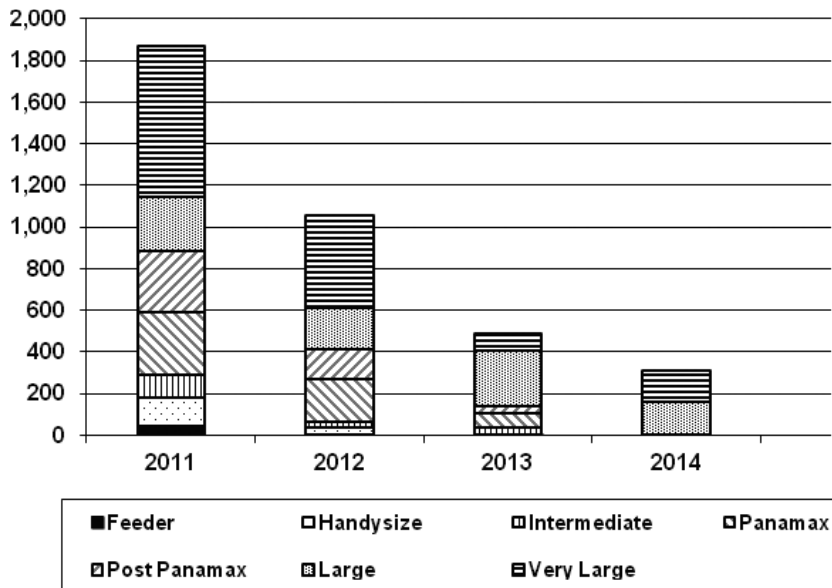


(1) As of January 1 each year
Source: Drewry

In 2010, as the overall market began to improve, a few of the major operators started to place orders for new ships with Asian yards. This trend has continued in 2011, with one major operator placing an order for several 18,000 TEU vessels, and more operators are likely to place additional orders during the coming year.

About one-half of the new capacity is due to enter service in 2011, but it is evident that the original peak for new deliveries which was scheduled for 2010-11 is being flattened out and extended out towards 2012-14, as owners have negotiated considerable delays with the shipyards.

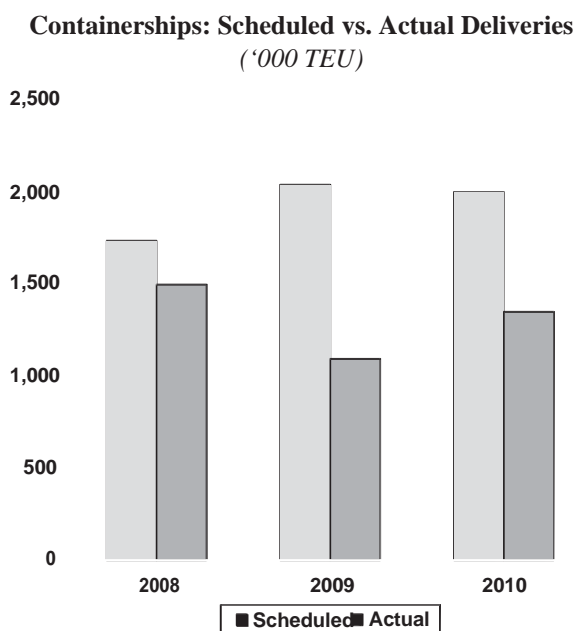
Containership Orderbook by Size and Scheduled Delivery Year—January 31, 2011
('000 TEU)



Source: Drewry

Not all of the vessels on order will have financing in place, and in the current climate securing funding is proving difficult for many shipowners. Delays in accessing funding may contribute to ships being delayed beyond scheduled delivery dates.

Apart for the lack of funding, some of the orders which have been placed have been at “greenfield” yards—that is, shipyard facilities which have yet to be constructed and become operational. Some of these yards are also finding it difficult to secure funds to commence the construction of the actual shipyard, which is another possible cause of delays in the delivery of new ships. Just over two-thirds of the containerships on order are at South Korean yards, with Chinese yards accounting for a further 21% of the orderbook, with the remaining orders split between a number of other builders.



Scheduled deliveries based on the orderbook as of January 1, 2008, 2009 and 2010.

2010 actual deliveries may be subject to late reports.

Source: Drewry

The extent to which delays in deliveries have already occurred can be seen by comparing scheduled and actual deliveries in the years 2008, 2009 and 2010. As can be seen in the chart above, delays in delivery increased dramatically in 2009, with only 1.1 million TEU of the 2.0 million TEU due to be delivered in 2009 being delivered by the end of the year. In effect, almost 50% of the new container tonnage which was scheduled to be delivered in 2009 will be delivered late. The data for 2010 indicates a similar picture. These delays are due to shipowners seeking to defer when new ships are delivered, problems associated with securing funding and in some cases delays are caused by the shipyard quoting unrealistic delivery times in the first instance.

Slow Steaming and Other Indicators

Excess shipping capacity and rising fuel prices have prompted operators in the container sector to reduce vessel operating speeds and thus reduce fuel costs, while at the same time requiring more ships to provide the same level of shipping capacity on a particular route. The impact of reducing sailing speeds on the number of days required to complete a round voyage on the three main routes is shown below. In effect, slow steaming has the effect of absorbing excess shipping capacity.

Vessel Sailing Times (Sailing Days—Round Voyage)

	<u>24.0 Knots</u>	<u>20.1 Knots</u>	<u>23.0 Knots</u>	<u>17.7 Knots</u>
Route				
Asia-Europe	36.5	43.5	—	—
Trans-Pacific	—	—	23.4	30.4
Trans-Atlantic	—	—	23.4	30.4
Typical No. of Vessels Deployed	8	9	5	6

Source: Drewry

A typical Asia-Europe string would comprise eight 8,000 TEU vessels operating at design speeds of 24 knots. By reducing the sailing speed of the vessels to 20 knots, a further ship would be required to provide the same level of service.

While this has the effect of absorbing additional shipping capacity, it also reduces fuel costs, as ships use less fuel when sailing at slower speeds. The exact savings will depend on the level of speed reduction and the prevailing fuel price, but based on current fuel prices, an 8,000 TEU vessel operating Asia-Europe would reduce the round trip fuel cost by approximately 30.0 %, if it reduced sailing speeds from 24 to 20 knots.

In addition to slow steaming, operators idled part of their fleets during the worst of the recession. Operators also scrapped certain smaller vessels, with an increase in container vessel sales for demolition from 32,691 TEU in 2006 to a high of 550,632 TEU in 2010.

Global Alliances

Alliances are generally agreements that cover vessel-sharing and operational matters such as the use of certain terminals, where carriers can take advantage of favorable terms for berthing. Often the alliance will implement a best ship policy, whereby members pool vessel resources to deploy the best appropriately sized vessels in the same service. There are currently three main global alliances:

- **Grand Alliance.** This alliance comprises Orient Overseas Container Line (OOCL), Hapag-Lloyd, and Nippon Yusen Kaisha (NYK).
- **New World Alliance.** This alliance comprises Mitsui OSK Lines (MOL), Hyundai Merchant Marine and American President Line (APL). It operates within the Trans-Pacific, Trans-Atlantic and Asia-Europe trades.
- **CKYH Alliance.** This alliance comprises Cosco, K Line, Yang Ming and Hanjin. It also operates within the Trans-Pacific, Trans-Atlantic and Asia-Europe trades.

While these are official alliances, there are now more agreements, if not necessarily formal alliances, between carriers who were once independent. For example, Evergreen has recently coordinated certain services with China Shipping, and MSC/CMA CGM and Maersk operate a number of joint string voyages in the Trans-Pacific. Also, there may be instances where outsiders cooperate with a more formal alliance. Such cooperative agreements are often motivated by a desire to share costs and jointly fill cargo capacity to more efficiently operate single string voyages.

Industry Consolidation and Partnerships

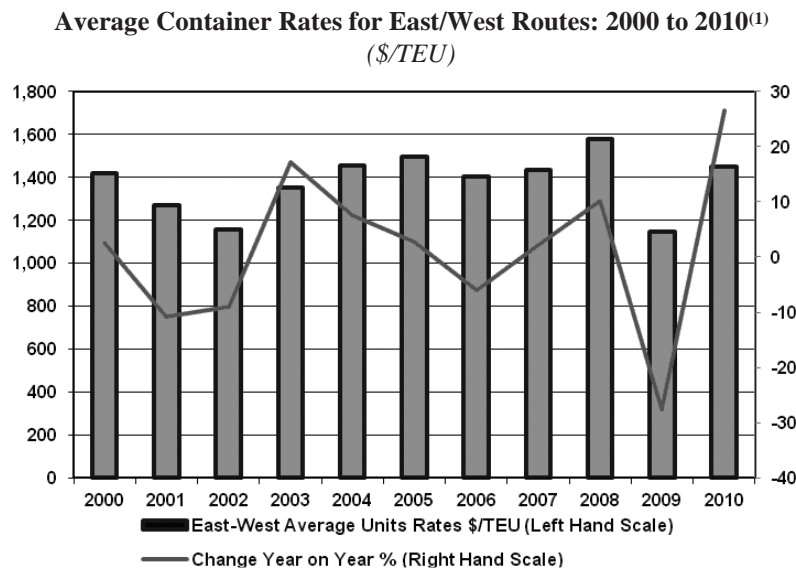
In the container shipping sector, consolidation among the major ship operators has occurred for several reasons, including the achievement of economies of scale, gaining or strengthening a market position in a particular region and acquiring a fleet of appropriately sized vessels. Major acquisitions in the last few years include AP Moller-Maersk's purchase of P&O Nedlloyd and Safmarine, and Hapag-Lloyds' acquisition of CP Ships. CMA CGM has acquired several operators, including Delmas and OTAL and most recently a Taiwanese operator, Cheng Lie Navigation. Evergreen has bought Lloyd Triestino. MSC's growth however, has largely been organic, as has that of both Cosco and China Shipping.

The industry has also recently seen the emergence on the global stage of regional carriers, which include PIL and Wan Hai. Both have traditionally been intra-Asian specialists, but each has invested in Panamax and Post-Panamax tonnage to enter the Far East/Europe, Transpacific and Far East/East Coast South America and African trades.

Although over the years the major container operators have been instrumental in ordering new ships and leading to growth in the world fleet, non-operator owners have also played a major part in fleet growth. Non-operators charter out their vessels to operators rather than operating them directly, and in turn are often referred to as "owners" or "charter owners". Outright vessel ownership carries certain benefits in terms of providing base capacity at stable, and perhaps lower, cost over the life of a vessel and long-term assets to support their balance sheets, but chartering-in provides an operator with greater flexibility, effective outsourcing of ship management and, depending on market conditions, short term cost savings along with reduced capital requirements. Container shipping companies continue to increase their use of chartered-in vessels to add capacity in their existing trade routes or to establish new trade routes.

Container Freight Rates

The following chart shows the average container freight rate per TEU on the core East/West trade lanes based on the Transpacific, Transatlantic and Asia-Europe routes. Terminal handling charges and intermodal rates, where applicable, are included.



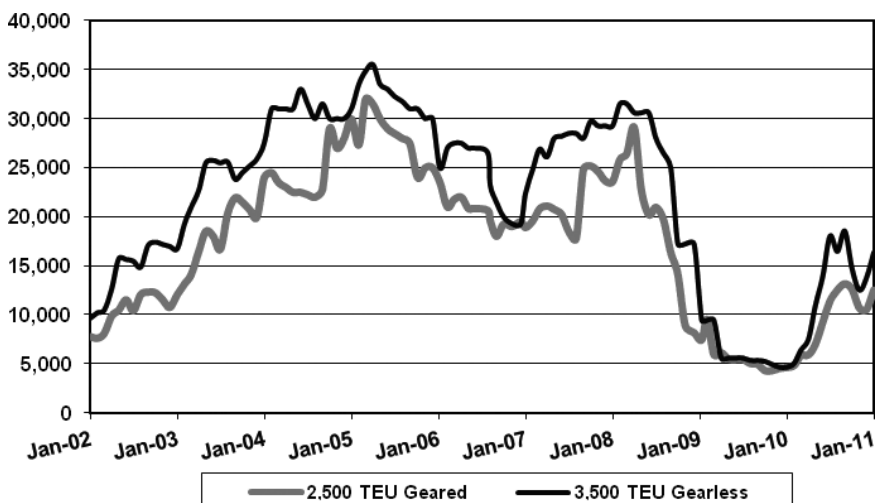
(1) Provisional
Source: Drewry

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

Container Time Charter Rates

The same factors that drive freight rates also affect the charter rates paid for ships. In the container sector, most ships will be fixed under a time charter basis for varying periods of time. The following chart indicates annual average one year time charter rates for representative containerships from 2000 to January 2011.

One Year Time Charter Rates for Geared/Gearless Containerships 2000 to 2011
(US\$ per Day)



Source: Drewry

With some exceptions, time charter rates for all vessel sizes increased steadily from 2002 into 2005, in some cases rising by as much as 50.0%, as charter markets experienced significant growth. Demand for vessels was largely spurred on by growth in the volume of exports from China. In 2006, time charter rates weakened due to supply rising faster than demand and also market perception. This trend was reversed in 2007 and 2008, but in 2009 rates fell considerably due to rising supply and very weak demand. In 2010, as container trade volumes picked up, rates also started to improve and this upward trend has been evident in the early part of 2011.

One Year Containership Time Charter Rates 2000 to 2011

(Period Averages US\$ per Day)

Year	1,500 Geared	2,500 Geared	3,500 Gearless
2000	11,625	17,869	24,025
2001	9,475	13,938	19,325
2002	7,188	10,326	14,431
2003	11,741	17,833	23,666
2004	20,200	26,500	31,575
2005	25,125	35,250	38,875
2006	15,400	22,700	27,125
2007	14,175	25,325	29,975
2008	12,950	20,400	26,450
2009	4,800	5,575	6,375
2010	6,650	8,850	12,475
January 2011	9,300	12,500	16,400

Source: Drewry

Containership Newbuilding Prices

Newbuilding prices rose steadily in the period 2002-2008, due to a shortage in newbuilding capacity during a period of high ordering and increased shipbuilders' costs as a result of rising raw material prices, mainly steel. However, since the second half of 2008, weak market conditions significantly slowed new ordering to the point that no new orders were reported placed for containerships in 2009. Given the lack of new orders, it is very difficult to assess the trend in newbuilding although all of the evidence suggests that prices weakened substantially in 2009, before staging a modest recovery in late 2010 and early 2011, as indicated by the figures in the table below.

Containership Newbuilding Prices: 2000 to 2011

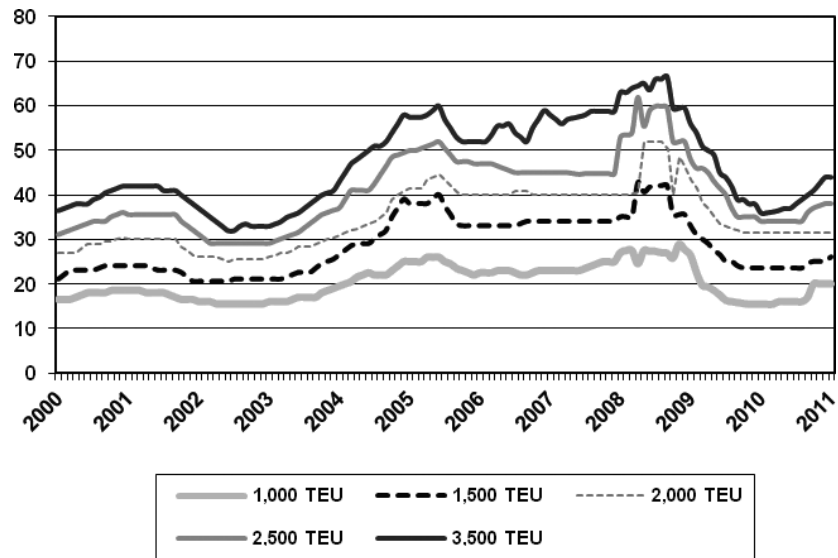
(End Period US\$ Millions)

Year	500* 8,000	1,000* 13,500	1,500* 22,000	2,000 29,000	2,500 35,000	3,500 40-45,000	5,500 65-70,000	6,500 75,000
2000	9.4	17.6	23.1	28.5	33.5	39.0	57.0	67.1
2001	9.9	17.6	23.0	29.4	34.9	41.0	60.3	69.9
2002	9.5	15.6	20.8	25.6	29.3	33.8	52.3	63.5
2003	12.9	17.0	22.6	28.1	32.5	36.9	55.8	66.5
2004	18.0	22.0	31.1	34.9	43.4	50.3	74.3	86.0
2005	18.5	24.5	36.4	41.9	49.5	55.9	87.4	101.1
2006	15.8	22.6	34.4	40.3	47.3	54.4	85.0	97.6
2007	16.0	23.8	34.0	40.0	44.9	57.9	85.0	97.4
2008	16.0	27.3	34.0	40.0	55.0	63.8	76.0	97.0
2009	10.0	15.4	23.5	31.5	35.0	38.0	71.0	76.0
2010	10.3	16.9	24.0	31.5	35.0	38.6	68.6	74.8
January 2011	11.0	18.0	26.0	32.5	38.0	44.0	71.0	78.0

*Geared Vessels, all Others Gearless

Source: Drewry

Containership Newbuilding Prices 2000 to 2011
(US\$ Millions)



Source: Drewry

Containership Secondhand Prices

Vessel values are primarily driven by supply and demand for vessels. During extended periods of high demand, as evidenced by high charter rates, vessel values tend to appreciate and vice versa. However, vessel values are also influenced by age and specification and by the replacement cost (newbuilding price) in the case of modern vessels.

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

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

With the rise in freight rates in the period 2005-2008 secondhand values for containerships also increased for all major ship sizes. However, when demand fell in 2008, rates and values went into a steep decline. Since then there have been very few reported secondhand sales and the estimation of secondhand values is very difficult. Nevertheless, rent evidence suggests that values have generally risen by a small amount across the board since the second half of 2010.

BUSINESS

Our Company

We are a leading provider of global container shipping services. In terms of capacity, we are the largest provider of container shipping services in France and the third largest in the world. We offer our services through a global network of 155 main lines and 38 feeder lines, calling at approximately 400 ports in 133 countries, with the support of more than 150 different shipping agencies operating through more than 650 offices worldwide.

As of December 31, 2010, we operated a fleet of 396 container ships with a total capacity of 1.224 million TEU, a weighted average age of 5.7 years (based on total TEU), of which we chartered 305 and owned 91. As of December 31, 2010, we maintained a 1.860 million TEU fleet of containers, of which we leased approximately 63% and owned the remainder. The market value of our owned vessels, as assessed by calculating the average of three independent ship brokers' valuations, was \$4,442.2 million, and the book value of our owned containers was \$949.6 million, both as of December 31, 2010.

We are headquartered in Marseilles and had approximately 17,500 employees worldwide as of December 31, 2010. In 2010, we transported over 9,041 thousand TEU on behalf of a globally diversified base of more than 100,000 customers (of which approximately 1,500 shipped more than 100 TEU in 2010), and had revenue of \$14.3 billion and EBITDA of \$2.5 billion.

We have an extensive network of lines and shipping agencies offering services in the principal Asia-Europe, Transpacific, Australasia, Transatlantic, Latin America, Caribbean and Africa markets, which we operate either via CMA CGM or via subsidiaries such as Australian National Container Line ("ANL"), Cheng Lie Navigation, Delmas and MacAndrews. This extensive network allows us to focus on high-volume, high-growth markets, such as Asia-Europe and Asia-North America. In China, we established operations in 1996 and now serve a broad range of 12 ports with direct calls and have a highly developed inland transportation system and our own shipping agency with a network of 66 offices throughout China. We also utilize our extensive network to focus on high-margin, niche markets, such as the Caribbean, Adriatic Sea, Black Sea, Africa and intra-Asia markets, since we believe we can quickly establish a leading presence in these markets and achieve higher operating margins than those available in other markets.

Through our main lines, which are supported by our extensive feeder lines, we have established a diverse market mix, with no single market accounting for more than 15% of our revenues. We believe that our broad network and the variety of ports served by our main and feeder lines provide us a competitive advantage in our key areas of operation and reduce our exposure to localized declines in demand for container shipping services.

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

We also invest in port terminal facilities where we have significant operations. Through these investments, we gain preferred access to berths and greater control over port activities. We currently have interests or agreements related to 19 ports, including in or around Le Havre, Dunkirk and Marseilles/Fos (France), Malta, Tangier and Casablanca (Morocco), Antwerp and Zeebrugge (Belgium), Martinique and Guadeloupe.

Over the past 33 years, we have grown from being a regional Mediterranean carrier with a single ship into a leading provider of global container shipping services with a fleet of 396 container ships as of December 31, 2010. From 1992 to 2010, we grew from the 20th largest to the third largest container carrier in the world, measured by capacity. From January 1, 2006 to December 31, 2010, we achieved compound annual growth rates on volumes transported of 10.9% derived primarily through organic growth, as well as through the successful integration of strategic acquisitions in niche markets, such as our acquisitions of Cheng Lie Navigation, Delmas and Compagnie Marocaine de Navigation (“Comanav”). Over the five-year period ending December 31, 2010, our volumes transported and related operational metrics have grown as indicated in the following table:

	Year ended December 31,					CAGR ⁽¹⁾
	2006	2007	2008	2009	2010	
Volumes transported (TEU thousands)	5,976	7,683	8,662	7,882	9,041	10.9%
Total fleet capacity (TEU thousands)	698	913	1,024	1,040	1,224	15.0%
Container vessels operated	286	384	395	352	396	8.4%
Container fleet (TEU thousands)	1,213	1,535	1,757	1,705	1,860	11.6%
Average freight rate ⁽²⁾	1,348.9	1,461.8	1,591.0	1,183.6	1,517.2	—

(1) Compound annual growth rate between 2006 and 2010.

(2) Average freight rate reflects shipping revenue and other transportation revenue divided by total TEU volumes transported. Such figures represent only an approximation of freight rate because other transportation revenue, among other things, includes terminal hauling and inland hauling fees which are not typically components of freight rates.

Competitive Strengths

We believe our competitive strengths include:

Leading positions in diversified markets. We have a leading market position in the container shipping industry, including on high-volume trade routes and high margin, niche routes. We are the largest provider of container shipping services in France and the third largest in the world in terms of capacity, with total fleet capacity of 1.224 million TEU as of December 31, 2010. We have more than twice the capacity of our next competitor (source: AXS—Alphaliner December 31, 2010). We have a strong market position in the high-growth Asia-Europe market with a market share of 10.9% in terms of volume in 2010. In addition, we had a 14.1% market share on the Europe-to-Indian South Coast-Middle East trade, a 12.4% market share on the Europe Central-South American trade, a 10.5% market share on the Asia-U.S. East Coast trade and a 5.5% market share on the Transpacific trade, in each case in terms of volume in 2010. We have also built strong, and in many cases leading, services in underserved ports and smaller markets, such as the Caribbean, the Adriatic Sea, the Black Sea and the African and the intra-Asia markets. No single market represents more than 15% of our revenues. Our leading market positions allow us to take advantage of economies of scale and strengthens our bargaining power when negotiating the terms of operational and capital expenditures, as well as financings.

Global reach and strong local presence. We operate a global container shipping network made up of 155 main lines and 38 feeder lines as of December 31, 2010, calling at approximately 400 ports in 133 countries. Our operations are supported by an extensive global network of over 150 shipping agencies operating through more than 650 strategically located and locally staffed offices worldwide, including, for example, our Chinese shipping agency, which we established in 1996 and which today operates through 66 offices. We own or have a majority stake in 114 of these shipping agencies, which accounted for approximately 95% of our volumes transported in 2010. Our network of lines and agencies connects six continents, allowing us to provide our customers with global seamless shipping services. Our agencies act as our local sales, marketing and customer service representatives. With this breadth of coverage, we can offer our customers a range of lines, scheduling alternatives and services to fulfill their container shipping requirements.

Modern and flexible fleet. As of December 31, 2010, we operated a fleet of 396 ships, of which we owned 91, chartered 71 on a long-term basis and chartered 234 on a short-term basis, with total fleet capacity of 1.224 million TEU. The weighted average age of our ships was 5.7 years (based on total TEU) as of December 31, 2010, as compared to the weighted average age for the industry of 8.1 years as of February 2011 (source: AXS Alphaliner February 2011). Approximately 83% of this capacity is on ships that are less than ten years old, compared to an average of approximately 73% of all top ten carriers in the aggregate (source: Alphaliner Monthly January 2011). In addition, the capacity of our ships range from 133 TEU to 13,830 TEU. The composition of our fleet provides us with a significant degree of flexibility in our operations. We are able to adapt the size and speed of our vessels, particularly our new technically advanced vessels with lower fuel

consumption, in accordance with demand, providing us with key competitive advantages. Our use of short-term vessel charters allows us to align our cost structure with our projected demand relatively quickly. For example, we were able to not renew or renegotiate certain short-term vessel charters during the downturn, which allowed us to decrease the size and costs of our fleet in adapting to the decline in demand. Our number of chartered vessels decreased from 308 chartered vessels on June 30, 2008 to 264 chartered vessels on December 31, 2009. In addition, vessels on short-term charters are an important element of our hub-and-feeder system since the vessels that are available at lower per-TEU rates on the short-term charter market are generally smaller and better suited for feeder lines.

Extensive hub-and-feeder system. We operate an integrated hub-and-feeder system consisting of 38 feeder lines that connect with and feed cargo to other lines at our five primary hubs in the Mediterranean, Asia, the Caribbean, North Africa and the Middle East, as well as several secondary hubs along our main lines. At our hubs, containers delivered by the various feeder lines are consolidated and loaded onto larger vessels sailing on our main lines. Containers arriving from our main lines can be sent via feeder lines to local ports in the region or transshipped between main-line vessels, allowing us to provide services to a greater number of destination ports. The extent and scope of our network, together with the number of interconnections within the network, increases the range of destinations we are able to serve from any particular origination port, increases our capacity utilization since we are able to use slots multiple times on each voyage, better manages and improves utilization on the non-dominant leg trade by providing opportunities to originate cargo from a variety of ports, shortens mainline transit times by minimizing the scheduled calls on a particular line, and provides us access to niche markets.

Diversified and loyal customer base founded on strong reputation. We believe our reputation for quality and reliability, together with our global reach and leading market position, gives us an advantage over our competitors and allows us to avoid competing solely based on price. In 2010, we had over 100,000 customers (of which approximately 1,500 shipped more than 100 TEU in 2010) diversified by both geography and industry. Our customer portfolio is generally balanced between direct shippers and freight forwarders. We have developed and maintain longstanding relationships with many of our customers, including many multinational companies. Our top customers include direct shippers, such as BASF, IKEA, Renault and Samsung, and freight forwarders, such as DHL, Kühne & Nagel and Schenker. We have been successful in acquiring and retaining key account customers. For example, all our top 20 customers in 2005 remained significant customers in 2010. Our top 20 customers by volume in 2010 accounted for approximately 15% of our total volume transported, and we had no customer that accounted for more than 2.8% of total volume in 2010. In addition, our business is spread across many geographic regions. Our diverse customer base helps to reduce the adverse effects of downturns in a particular region or industry.

Attractive industry dynamics. The container shipping industry has experienced strong growth every year since its inception with the exception of 2009. Between 1980 and 2010, container shipping transport volumes increased by a compound annual growth rate of approximately 8%. While container shipping transport volumes declined by approximately 9% in 2009 as a result of the global financial and economic crisis, container shipping transport volumes grew again, by approximately 13%, in 2010 versus 2009. After a period of excess capacity in the container shipping industry due to an increase in the number of new ship deliveries that coincided with a significant decrease in demand, the industry underwent a realignment of supply and demand in 2009. As of January 31, 2011, the current global fleet orderbook in terms of capacity, equaled 26.8% of the existing container fleet, which was below the average over the period 2006-2010 and below the peak of 2008 of approximately 65%. Increases in world trade, global sourcing and manufacturing and continuing penetration by containerized shipping of traditional shipping sectors are expected to continue to drive the growth of container shipping.

Experienced management team. We benefit from one of the most highly qualified and experienced management teams in the container shipping industry. Jacques R. Saadé, the founder of CMA S.A., has been instrumental in building the business since its inception in 1978 from a niche French container shipping services provider to a significant global business with approximately 17,500 employees as of December 31, 2010. Mr. Saadé is supported by a senior management team, some of whom have worked for us since our inception in 1978. We also selectively hire senior managers from outside our Company to provide our management team with new views, ideas and skills. Our management team is organized with a focus on broad information-sharing, timely decision-making and rapid responses to arising opportunities. Our five most senior executives have over 20 years in average of experience within the industry. We believe the expertise and skill of this team have enabled us to identify and seize upon niche markets, such as our pursuit of trades in China beginning in 1996 while other carriers were still focused on more mature markets in Asia. In addition, the expertise and skill of our management team helped to mitigate the effects of the global economic downturn on the Company. During the

downturn, we deliberately reduced capacity on certain trades, such as the Asia-North America market, that were particularly affected and focused on activities on trades we expected to recover more quickly, such as Asia-North Europe. We also sought to realign the capacity of our fleet with demand, including “super slow steaming” initiatives and not extending or renegotiating certain short-term charters. As a result, only 1.5% of our capacity was idle at the peak of the downturn, compared to an industry average of 11.7% at this same time (*source*: Alphaliner Monthly Monitor January 2011). In addition, at the operational level, we rely on our experienced team of line managers to optimize the cargo mix on each ship and on each line and load vessels efficiently, with a view towards maximizing profits while maintaining a high standard of quality.

Our Strategy

Our principal strategies are as follows:

Maintain a competitive, flexible fleet. We continually upgrade the size of our main lines. For example, we more than doubled the size of our ships deployed on the Asia-North Europe trade, from 6,500 TEU to 13,830 TEU in the past seven years. At present, we expect to receive delivery of 15 container vessels between 2011 and 2014, ranging in size from 1,700 TEU to 16,000 TEU. As we introduce new very large, technically advanced ships on the Asia-North Europe main artery, other vessels can be redeployed and cascaded down to lines where they replace vessels of a lesser size, which has the effect of improving the overall efficiency and capacity of our services. We intend to continue to upgrade our main lines, as this not only offers our customers the benefits of newer, technically advanced and fuel efficient vessels, but also helps us to achieve greater operational efficiencies and economies of scale.

In addition, we intend to maintain a balanced and flexible fleet, particularly with respect to short-term chartered ships as compared to owned ships, because we believe chartered fleet capacity provides more flexibility. Through short-term charters, we are able to adjust the size of our fleet as demand fluctuates, and therefore better align our costs with demand. Furthermore, because charter rates are fixed for the duration of the charter period, our strategy of using short-term charters provides us with greater flexibility to take advantage of decreases in charter rates and therefore keep such charter rates in better alignment with freight rates. For example, during the downturn, we were able to reduce charter costs by 23% from \$18,458 per day per ship on June 30, 2008 to \$14,184 per day per ship on December 31, 2009.

Exploit organic growth opportunities. We continually seek to identify opportunities in new markets. We believe this enables us to establish leading positions in markets with comparatively high profit margins. For example, we established ourselves as early as 1996 in China when other operators were still focused on more mature Asian markets, such as Japan. More recently, in the midst of the financial crisis, we initiated a trade route providing a direct link between Asia and Mozambique, which continues to attract increasing volumes. Once we identify a new market, we dedicate sufficient resources to establish ourselves in the market, with specialized ships, extended reefer capacity or the ability to operate in shallow waters and cope with short quay lengths. We also invest in terminal operations, as we did recently in the terminal of Cai Mep in Vietnam, as well as in inland transportation and bonded dry ports. As a result, we currently maintain leading market shares on trades such as Europe-French West Indies, Europe-French Guyana and Europe-Asia-North Africa.

Enhance core activity through vertical integration. We have consistently pursued our policy to control our core maritime container transportation activity through vertical integration. For example, through our joint ventures, we own or control a network of 114 shipping agencies representing approximately 95% of our volume output. In addition, we operate our own network of feeders in the Caribbean, Mediterranean, Arabian Gulf, North Europe and Intra-Asia trades rather than using common commercial feeders. Furthermore, we own interests in various terminals which we consider key to the efficiency of our operations, including Malta, Tangier and the French West Indies. Such measures give us heightened security with respect to our positions in the markets we pursue and develop.

Expand the range of value-added services we provide to our customers. We intend to continue to develop our offering of new transportation services, such as logistics services and inter-modal container transportation services, which enable us to transport containers from door-to-door, offering customers a variety of supply chain management solutions. Customers may place orders through our CMA CGM Logistics subsidiary, for example, which coordinates activities across all stages of the supply chain, including stock management, disassembling, packaging, packing, shipping, customs formalities, reassembling and distribution. Expanding these services will enable us to provide our customers with a greater range of alternatives and will enhance our position as a full-service provider. Our focus is on providing quality services to our clients rather than the lowest price, which we

believe is valued by our clients. For example, we were awarded in February 2011 the “International Carrier of the Year” from a major retailer for our innovation, quality of service and flexibility.

Continue to increase operational efficiency. We focus on increasing efficiency and reducing costs throughout our organization. For example, although our total volume transported in 2010 was approximately 18% higher than in 2007, our operating expenses were only approximately 12% higher in 2010 compared to 2007. We are continuing to invest in a modern, flexible fleet, including optimal management of short-term charter rates, to achieve greater economies of scale. Our customers are increasingly willing to enter into long-term shipping contracts, which allow us to better optimize fleet utilization and planning. Through our joint venture with IBM, we continue to develop, maintain and improve our IT systems. Such systems enable us to evaluate yield management on a real time basis, manage booking and billing, track containers and plan efficient routes and uses for our vessels. We also plan to continue to capitalize on our global information system, centered at our headquarters in Marseilles, which integrates operational and accounting information from across all our businesses. We continue to focus on cost controls, including targeted use of slow steaming to reduce bunker fuel consumption on certain trades and routes. Finally, we intend to continue to enhance internal controls, revenue collection and cost control at the point of sale by, among other things, directly owning substantially all our network of shipping agencies.

Maintain strong cash flow generation and reduce leverage. We continually seek to improve our cash flow generation through our operating model, which relies on experienced line managers to optimize profits while maintaining a high standard of quality, economies of scale derived from further growth of our business and management of our cost base. We are also committed to reducing our net debt. With our lenders we have recently agreed to a cash flow sweep mechanism under certain of our financing arrangements. At the same time, we have strengthened our balance sheet with an equity investment of \$500 million and seek further improvements through the planned sales of certain non-core assets. We therefore expect to have sufficient cash flow to support our organic growth and maintain our competitive position.

History

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

CGM S.A. (*Compagnie Générale Maritime*), another predecessor company, was founded in 1974 as a result of a merger between two established container shipping companies, *Compagnie des Messageries Maritimes* (founded in 1851) and *Compagnie Générale Transatlantique* (founded in 1855), that year. CGM S.A. was previously owned by the French government.

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

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

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

In September 2004, our former parent company, Holding CMA CGM S.A., and its subsidiary, La Teuillère, were merged into CMA CGM, to effect a corporate reorganization as both Holding CMA CGM S.A. and La Teuillère no longer had any assets or operations.

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

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

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

In January 2011, we consummated a transaction, pursuant to an investment agreement with Merit Corporation and Yildirim Holding, an investment company incorporated under the laws of Turkey, whereby Yildirim Asset Management Holding BV, a wholly owned subsidiary of Yildirim Holding incorporated under the laws of the Netherlands, purchased the ORA (representing 2,644,590 subordinated bonds) redeemable in the Company's preferred shares for a total subscription price of \$500 million. Subject to and in accordance with the terms of the Investment Agreement, the ORA will automatically convert into preference shares of the Company on December 31, 2015, which shares will represent approximately 20% of the Company's capital (assuming the Company maintains its current capital and no adjustments are required to the conversion rate).

Services

Our primary business activity has historically been, and continues to be, container shipping. We also provide, to a lesser extent, logistics services and inter-modal container transportation services, and certain other services.

Container Shipping

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

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

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

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

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

Our main lines. The following table provides information relating to our main lines as of December 31, 2010:

ROUTES	Lines	Our Ships ¹	Slot Swaps ²	Slot Purchases ³
Asia-Northern Europe	9	4	5	-
Asia-Mediterranean	4	4	-	-
Pakistan and India-Europe	1	1	-	-
Asia-Red Sea	1	1	-	-
Northern Europe-Asia-Oceania	1	1	-	-
Asia-USWC	6	4	-	2
Asia-USEC	4	3	-	1
Round the World	1	-	-	1
Australia-Asia	1	1	-	-
Australia-China	1	-	-	1
Australia-New Zealand	1	1	-	-
Australia-North Asia	1	1	-	-
Australia-Papua New Guinea	1	1	-	-
Australia-Southeast Asia	1	1	-	-
Coast of Australia	1	-	-	1
Northern Europe-USEC	2	-	-	2
Northern Europe-USEC and Mexico	1	1	-	-
Northern Europe-Canada	1	-	-	1
Mediterranean-USEC	1	1	-	-
Intra Caribbean Sea	3	3	-	-
North Europe-Caribbean-Central America-West Coast South America	2	1	-	1
East Coast South America-Tangier Med-North Europe	2	1	1	-
Asia-West Coasts Central & South America	2	2	-	-
West Coast Central and South America	1	-	-	1
East Coast South America-North and Central Coast South America-Caribbean	1	1	-	-
Caribbean-North Brazil	1	1	-	-
East Coast South America-West Mediterranean	1	1	-	-
Europe-Leewards Islands-French Guyana-North Brazil	1	1	-	-
French Atlantic Coast	1	1	-	-
French West Indies-Guyana	1	1	-	-
Asia-East Coasts Central & South America	1	1	-	-
Kingston-Cuba Haiti	1	1	-	-
Mediterranean Sea-Caribbean Sea	1	1	-	-
North Europe-Caribbean Sea	1	-	-	1
North Europe-Caribbean-Central America-North Coast South America	1	1	-	-
Asia-West Coast of Mexico-Panama-Caribbean	1	1	-	-
North Europe-French West Indies	1	1	-	-
US Gulf-Mexico-Jamaica-Northern South America	1	1	-	-
USEC-Caribbean Sea	1	1	-	-
USEC-Jamaica	1	1	-	-
Mediterranean-North Africa	5	4	-	1
Coastal West Africa	3	3	-	-
West Africa Feederling	2	1	-	1
Europe Atlantic-West Africa	2	2	-	-
Asia-West Africa	2	2	-	-
West Mediterranean-West Africa	1	1	-	-
Tangier-West Africa	1	-	-	1
Asia-West Africa-Mozambique	1	1	-	-
Asia-East Africa	1	1	-	-
Asia-Mozambique	1	1	-	-
India-Middle East Gulf-East Africa	1	1	-	-

¹ Our operations on these lines are exclusively through our ships.

² Our operations on these lines are on ships operated by other carriers through slot swap arrangements.

³ Our operations on these lines are on ships operated by other carriers using slots we purchase.

ROUTES	Lines	Our Ships ¹	Slot Swaps ²	Slot Purchases ³
India-Middle East Gulf-West Africa	1	1	-	-
Indian Ocean	1	1	-	-
Malta-West Africa.....	1	1	-	-
Asia-Indian Ocean.....	1	1	-	-
Mediterranean-West Africa.....	1	1	-	-
Morocco-West Africa	1	-	-	1
Portugal-Angola.....	1	1	-	-
Round the World.....	1	1	-	-
Salalah-Indian Ocean	1	1	-	-
South Africa-West Africa	1	-	-	1
South America-West Africa	1	1	-	-
Intra Asia.....	29	26	3	-
Intra Mediterranean.....	8	8	-	-
Intra North Europe	7	7	-	-
Gulf-Red Sea.....	6	6	-	-
Asia-Middle East Gulf	3	2	1	-
UK-Poland	1	1	-	-
Korea-Russia.....	1	-	-	1
Northern Europe-Mediterranean	1	1	-	-
UK/Ireland/North Europe-Portugal.....	1	1	-	-
UK/Ireland-Spain	1	1	-	-
UK/North Europe-Spain	1	1	-	-
	155	127	10	18

¹ Our operations on these lines are exclusively through our ships.

² Our operations on these lines are on ships operated by other carriers through slot swap arrangements.

³ Our operations on these lines are on ships operated by other carriers using slots we purchase.

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

The table below illustrates volume in our principal markets for 2008, 2009 and 2010:

Market	Volume Per Market (TEU)			% of 2010 Total
	2008	2009	2010	
Asia-Europe	2,749,670	2,691,239	3,375,955	37.3
Transpacific	1,177,395	1,182,471	1,202,755	13.3
Australasia	600,137	356,173	337,011	3.7
Transatlantic	320,332	230,651	218,205	2.4
Latin America & Caribbean	1,103,863	1,111,702	1,316,148	14.6
Africa	1,379,836	1,330,304	1,365,457	15.1
Other Lines	1,330,889	979,817	1,225,961	13.6

Total	8,662,121	7,882,357	9,041,493	100.0
		<u> </u>	<u> </u>	<u> </u>

Our hubs and feeder lines. Our hub-and-feeder system comprises 38 feeder lines which support our main intercontinental lines by calling at one of our five primary hubs, Malta, Port Kelang (Malaysia), Kingston (Jamaica), Tangiers (Morocco), and Khor Fakkan (United Arab Emirates), or one of our secondary hubs, and one or two other, smaller ports. Our feeder services disperse traffic away from larger ports to avoid saturation and dependence on any one particular location. Some of our secondary hubs are located near our four primary hubs and can temporarily replace the services of our primary hubs in the event they become unavailable or overly congested. We periodically consider establishing new feeder lines based on needs of various markets and cost effectiveness.

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

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

The following tables provide certain information about our primary and secondary hubs and the feeder lines that support them, as of December 31, 2010:

Hubs

Europe	Mediterranean	Middle East	Asia	Caribbean
Le Havre	Malta ⁽¹⁾	Khor Fakkan ⁽¹⁾	Port Kelang ⁽¹⁾	Kingston ⁽¹⁾
Rotterdam	Damietta	Jeddah	Pusan	Port of Spain
Hamburg	Tangier ⁽¹⁾		Hong Kong	
Antwerp				

(1) Primary hubs

Feeder Lines

Europe	Hamburg-Finland Hamburg-Denmark-Sweden-Poland Rotterdam-Norway Hamburg-Kaliningrad-Klaipeda Netherlands-East Coast UK France-Belgium-United Kingdom-Ireland French Atlantic Coast	Mediterranean ...	Egypt-Turkey Adriatic Sea Malta-Adriatic Malta-Turkey-Georgia-Russia-Ukraine-Romania-Bulgaria Egypt Malta-Turkey-Syria-Lebanon-Cyprus-Egypt Turkey-Syria-Lebanon
Middle East	Aqaba-Sudan Yemen-Djibouti Doha-Bushehr Oman-Iraq Lower Gulf Upper Gulf	Asia	Malaysia-Jakarta Port Kelang-Indonesia Port Kelang-Thailand Vietnam-Malaysia Port Kelang-Vietnam Malaysia-Singapore-Cambodia-Vietnam Colombo-Chittagong Singapore-Malaysia Singapore-Malaysia-Cambodia Port Kelang-Yangon
Caribbean	St. Lucia-Barbados-Antigua Dominica-Martinique-Trinidad-Grenada-St. Vincent Kingston-Cuba-Haiti Caribbean-North Brazil	Africa	Malta-Morocco-Algeria-Tunisia Indian Ocean Coastal West Africa Coastal East Africa

Logistics Activities and Inter-Modal Container Transportation Services

We have responded to changing customer expectations by increasingly providing value-added services prior to and following shipping itself and offering a single-contact interface to the customer. Extending beyond our traditional shipping services, many of our lines now offer our customers “door-to-door” service—from the door of the factory to the door of the warehouse or retail store. These logistics and inter-modal container transportation

services allow our customers to fully outsource their “non-core” freight transportation activities and concentrate on their core businesses. We provide these logistics activities and inter-modal container transportation services to complement our primary maritime shipping services. We offer certain of our logistics and inter-modal container transportation services through the following three subsidiaries:

CMA CGM Logistics. CMA CGM Logistics, which we established in the spring of 2001, primarily serves Asia and Europe, where it provides customers with a range of fully integrated logistics and inter-modal services, including transporting containers from door-to-door and offering customers a variety of supply chain management solutions. CMA CGM Logistics coordinates activities at all stages of the supply chain, including customs clearance, stock management and disassembling, packaging, packing, reassembling and shipping. Where we do not provide the required services ourselves, we sub-contract for services, such as warehousing, packaging, packing and inland hauling, with third parties worldwide, including several logistics companies, such as Giraud Logistics, Dettmer Logistics, Jardine Logistics, Cosco Logistics and Simba.

Progeco. Progeco is a specialized provider of a comprehensive range of empty container management services, including handling and storage, maintenance and repair, sales and leasing, computerized tracking and the Service Plus line of value-added services. Starting in 1980 with our first depot in Marseilles, we have steadily built up a strategically located network of 18 depots in Europe with Antwerp (Belgium), Hamburg (Germany), Rotterdam (The Netherlands), Dunkirk, Le Havre, Rouen, Paris, Fos, Lyon and Marseilles (France). Today we are Europe’s leading container services company, with up to around 600,000 containers handled annually.

Rail Link Europe. Our Rail Link Europe subsidiary, which we established in 2001, researches, implements and operates rail container transportation solutions for our customers. Rail Link Europe operates, among other services, regular rail shuttle links between Marseilles and Le Havre and North Europe (Ludwigshafen, Antwerp, Duisburg and Cologne), providing our customers with reliable connections to our shipping lines calling at Marseilles and serving Northern Africa, the Indian sub-continent and Asia routes. Where Rail Link Europe does not have operations itself, it sub-contracts to provide customers regular container “block trains,” which can carry containers from ports to their final destinations throughout Europe. In 2010, Rail Link Europe transported approximately 67,000 TEU.

River Shuttle Containers (“RSC”). Our subsidiary, River Shuttle Containers, was created in October 2001. Operating between the French ports of Fos, Lyon, Mâcon and Chalon-sur-Saône, and between Paris, Gennevilliers and Le Havre, RSC carried 82,000 TEU in 2010 (37,000 TEU on the Rhône and 45,000 TEU on the Seine), making it France’s leading container transport company on inland waterways and the only one serving the country’s two main watershed basins. These services are currently used by transporters, shippers, loaders and haulers. Container barge service greatly reduces operating costs and improves service reliability and environmental safety as compared to other forms of inland transportation.

Land Transport International (“LTI”). Our subsidiary LTI, which we acquired in the beginning of 2005, is a leading inland container carrier in France. Our dedicated road haulage subsidiary operates a fleet of 60 tractors and 450 trailers that carried approximately 66,000 TEU in 2010, making it France’s largest overland container trucking company. The company has offices in Fos and Le Havre.

TCX Multimodal Logistics. TCX manages 27,000 square meters of bond warehouses in many French ports. The company arranges cross-docking for shipment transport as well as code barring, paletting, labelling, pick and packing.

Other Services

CMA CGM Croisières & Voyages, our wholly owned subsidiary, was established in 2001 to act as the exclusive commercial agent for Classic International Cruises, a Portuguese cruising company. CMA CGM Croisières & Voyages offers cruises covering the South Pacific, Asia, the Mediterranean and the Adriatic seas, as well as river cruises on the Nile and the Volga Rivers.

Our 90%-owned subsidiary CdP is a luxury cruise company specializing in cruises to remote places such as Antarctic or Arctic seas and operates four French-flagged liners, Ponant, Levant, Diamant and Boreal (delivered in May 2010). CdP has a commitment to acquire a fifth vessel, the Austral, in April 2011. In 2010 CdP generated EBITDA of €4.1 million. CdP also owns Tapis Rouge International, a tour operator, which we acquired to expand our luxury cruise business.

Operations

Vessel Fleet

As of December 31, 2010, we operated 396 container vessels, of which we owned 91 (or 36.1% of our capacity), chartered 71 on a long-term basis (or 30.2% of our capacity) and chartered 234 on a short-term basis (or 33.7% of our capacity). Our entire fleet had a combined capacity of 1.224 million TEU at that date. The weighted average age of the vessels in our fleet was 5.7 years (based on total TEU) as of the same date. We generally utilize our larger vessels on our intercontinental lines to achieve greater operational efficiencies and economies of scale, whereas we operate smaller vessels on our feeder and shorter main lines. We are increasingly seeking to purchase, rather than charter, our larger vessels, while continuing to rely on chartering on a short-term basis for smaller vessels. Smaller vessels are more readily available in the charter market than larger vessels. In addition, because charter rates are fixed for the duration of the charter, our strategy of using short-term charters provides us with greater flexibility to take advantage of decreases in charter rates. We do not generally charter or sub-charter our vessels to other parties.

The table below sets forth certain information regarding container vessels that we owned as of December 31, 2010:

	<u>Vessel Name</u>	<u>Year Built</u>	<u>TEU</u>	<u>Current Financing</u>
1	CMA CGM CORTE REAL	2010	13 880	Other*
2	CMA CGM AMERIGO VESPUCCI	2010	13 880	Capital Lease
3	CMA CGM MAGELLAN	2010	13 880	Other*
4	CMA CGM LAPEROUSE	2010	13 880	Capital Lease*
5	CMA CGM CHRISTOPHE COLOMB	2009	13 880	Capital Lease
6	CMA CGM LEO	2010	11 388	Bank Debt
7	CMA CGM CALLISTO	2010	11 388	Bank Debt
8	CMA CGM AQUILA	2009	11 388	Bank Debt
9	CMA CGM ANDROMEDA	2009	11 388	Bank Debt
10	CMA CGM PEGASUS	2010	11 388	Bank Debt
11	CMA CGM LIBRA	2009	11 388	Bank Debt
12	CMA CGM MUSCA	2009	10 960	Capital Lease
13	CMA CGM HYDRA	2009	10 960	Capital Lease
14	CMA CGM RIGOLETTO	2006	9 415	Capital Lease
15	CMA CGM FIDELIO	2006	9 415	Capital Lease
16	CMA CGM MEDEA	2006	9 415	Capital Lease
17	CMA CGM NORMA	2006	9 415	Capital Lease
18	CMA CGM TOSCA	2005	8 488	Capital Lease
19	CMA CGM LA TRAVIATA	2006	8 488	Capital Lease
20	CMA CGM NABUCCO	2006	8 488	Capital Lease
21	CMA CGM OTELLO	2005	8 488	Capital Lease
22	CMA CGM FIGARO	2010	8 465	Capital Lease
23	CMA CGM LA SCALA	2009	8 465	Other*
24	CMA CGM CENDRILLON	2009	8 465	Capital Lease
25	CMA CGM VIVALDI	2004	8 238	Capital Lease
26	CMA CGM LAMARTINE	2010	6 574	Capital Lease
27	CMA CGM MAUPASSANT	2010	6 574	Capital Lease
28	CMA CGM BELLINI	2004	5 782	Capital Lease
29	CMA CGM CHOPIN	2004	5 782	Bank Debt
30	CMA CGM MOZART	2004	5 782	Bank Debt
31	CMA CGM WAGNER	2004	5 782	Capital Lease
32	CMA CGM ROSSINI	2004	5 782	Bank Debt
33	CMA CGM STRAUSS	2004	5 782	Capital Lease
34	CMA CGM VERDI	2004	5 782	Capital Lease
35	CMA CGM PUCCINI	2004	5 782	Bank Debt
36	CMA CGM ORCA	2006	5 095	Assets Held for Sale
37	CMA CGM MARLIN	2007	5 095	Assets Held for Sale
38	CMA CGM NEW JERSEY	2008	5 095	Securitization Financing
39	CMA CGM SWORDFISH	2007	5 095	Securitization Financing
40	CMA CGM TARPON	1999	5 095	Securitization Financing

	<u>Vessel Name</u>	<u>Year Built</u>	<u>TEU</u>	<u>Current Financing</u>
41	CMA CGM FLORIDA	2007	5 095	Securitization Financing
42	CMA CGM GEORGIA	2008	5 095	Securitization Financing
43	CMA CGM VIRGINIA	2008	5 095	Securitization Financing
44	CMA CGM KINGFISH	2007	5 095	Assets Held for Sale
45	CMA CGM PUGET	2002	4 404	Capital Lease
46	CMA CGM EIFFEL	2002	4 404	Capital Lease
47	CMA CGM CORAL	2008	4 367	Securitization Financing
48	CMA CGM AMBER	2008	4 367	Securitization Financing
49	CMA CGM FORT ST PIERRE	2003	2 260	No Debt
50	CMA CGM FORT ST LOUIS	2003	2 260	No Debt
51	CMA CGM FORT ST GEORGES	2003	2 260	No Debt
52	CMA CGM FORT STE MARIE	2003	2 260	No Debt
53	NICOLAS DELMAS	2002	2 207	No Debt
54	CMA CGM KAILAS	2006	1 858	Capital Lease
55	SORAYA	1998	1 733	No Debt
56	CMA CGM IMPALA	1996	1 730	No Debt
57	CMA CGM HERODOTE	2007	1 713	Securitization Financing
58	CMA CGM PLATON	2007	1 713	Securitization Financing
59	CMA CGM ARISTOTE	2007	1 713	Securitization Financing
60	CMA CGM HOMERE	2006	1 713	Securitization Financing
61	CMA CGM OKAPI	2000	1 708	No Debt
62	ELISA DELMAS	2001	1 641	No Debt
63	NALA DELMAS	2002	1 641	No Debt
64	FLORA DELMAS	2002	1 641	No Debt
65	ROSA DELMAS	1985	1 446	Bank Debt
66	KUO CHIA	1998	1 405	No Debt
67	KUO WEI	1997	1 400	No Debt
68	KUO YU	1993	1 367	Bank Debt
69	KUO CHANG	1999	1 367	No Debt
70	LUCIE DELMAS	1978	1 328	No Debt
71	LAURA DELMAS	1979	1 328	No Debt
72	SAINT ROCH	1980	1 183	No Debt
73	CMA CGM SIMBA	1993	1 107	Bank Debt
74	DELMAS SWALA	1993	1 107	Bank Debt
75	CMA CGM JUNIOR S	1994	1 012	Bank Debt
76	CMA CGM RABAT	1990	976	No Debt
77	DELPHINE DELMAS	1986	937	Assets Held for Sale
78	CAROLINE DELMAS	1986	937	Assets Held for Sale
79	ADELINE DELMAS	1986	937	Assets Held for Sale
80	BLANDINE DELMAS	1986	937	Assets Held for Sale
81	GASCOGNE	1991	659	Bank Debt
82	MOROTAI / ANL BASS TRADER	1995	642	No Debt
83	FAS VAR	1993	599	Bank Debt
84	FAS PROVENCE	1986	581	No Debt
85	OUED ZIZ	1998	501	Bank Debt
86	OUED EDDAHAB	1998	501	Bank Debt
87	CMA CGM SIWA	1990	355	No Debt
88	CMA CGM ORAN	1982	352	No Debt
89	CAP CAMARAT	1985	347	Bank Debt
90	AKNOUL	1993	188	No Debt
91	CAP CANAILLE	1977	133	No Debt

* Vessels for which we paid more than our contractual share of financing, which, (i) in accordance with the amendments to our financing arrangements, have been, or will shortly be, refinanced for an estimated total of \$200.0 million, or (ii) pursuant to a signed term sheet, subject to definitive documentation and customary conditions, we expect to refinance for an estimated additional \$64.0 million. See "Description of Certain Financing Arrangements."

We are currently engaged in a ship acquisition program. Between 2006 and 2008, we placed orders for 54 vessels, including two cruise ships. During the height of the downturn, we initiated discussions with shipyards or owners, as applicable, regarding the cancellation or delay of these purchases. We ultimately accepted delivery of

six of these vessels in 2009 and delivery of an additional 12 vessels in 2010. In addition, we accepted delivery of four vessels, which we originally intended to purchase, via long-term charter arrangements in 2010. In 2010, we also accepted delivery of one cruise ship, the Boreal, which we originally intended to purchase, via a short-term charter arrangement with an obligation to purchase such vessel on April 1, 2011. In addition, on April 20, 2011, we will accept delivery of another cruise ship, the Austral, which we originally intended to purchase, via a short-term charter arrangement with an obligation to purchase such vessel on July 31, 2011, though no agreement has yet been reached with the shipyard. We have a remaining purchase price commitment (not including any additional costs incurred upon delivery) to the shipbuilder of the Austral and Boreal cruise ships to pay €124.9 million in connection with the acquisition of those vessels. We are in discussions with the shipbuilder according to which we would pay €87.7 million of such amount by April 15, 2011 and €37.2 million by July 31, 2011. We are currently seeking to obtain the CdP Financing to finance a portion of such amounts. If financing of such amounts is not obtained, we may be required to make such payments from our available cash. Furthermore, the shipyard sold one vessel and we reached an agreement with the shipyard regarding the cancellation of an additional three vessels.

In addition, we intend to accept delivery, or have accepted delivery, as applicable, of the following 16 vessels to be delivered between 2011 and 2014 for an aggregate of \$1,647.9 million as of December 31, 2010:

Quantity	Size	Financed Remaining to be Paid ⁽¹⁾	Vendor Loan to be Paid	CMA CGM to be Paid	Total Remaining to be Paid	Expected Delivery Date
(\$ millions)						
1	11,400-TEU	\$49.5 (Bank Debt)	\$10.0	\$35.5	\$95.0	2011
5	11,356-TEU	\$290.7 (Bank Debt)	\$50.0	\$174.6	\$515.3	2011, including two vessels that have already been delivered
3	8,465-TEU	\$193.4 (Capital Leases)	—	\$115.5	\$308.9	2011, including one vessel that has already been delivered
3	16,000-TEU	\$306.3	\$42.0	\$113.3	\$461.6	2012
3	1,700-TEU	Not Yet Financed	—	\$187.2	\$187.2	2014
1	Cruise Ship	Not Yet Financed	—		\$80.1	2011

(1) Subject to customary conditions, we have received (i) commitments under existing capital leases and bank debt for the financing of one 11,400-TEU ship, three 11,356-TEU ships, two 8,465-TEU ships and one 16,000-TEU ship (two 11,356-TEU ships and one 8,465-TEU ship have already been delivered in 2011) and, (ii) a signed term sheet, subject to definitive documentation and customary conditions, to provide financing for two 16,000-TEU ships. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commercial Commitments.”

We are currently involved in negotiations with the shipyards or owners, as applicable, to cancel or provide for alternative arrangements with respect to the following vessels:

Quantity	Size	Delivery
3	12,552-TEU	Construction on these ships has not yet begun and we are currently in discussions with the owner regarding these vessels.
2	12,825-TEU	Construction on these ships has not yet begun and we are currently in discussions with the shipyards regarding these vessels.
6	3,600-TEU	We intend to take delivery of four of these ships in 2011 pursuant to charter agreements with third parties and to reach agreement with the shipyard for cancellation of the remaining two ships.

We have reserves for additional potential liabilities that we estimate may become due to the shipyards in connection with any cancellations of the vessels noted in the table above. For further information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commercial Commitments.”

In addition, we have refinanced certain debt relating to vessels that were delivered in 2010, for which we contributed additional cash upon delivery as we were unable to draw on our existing financing arrangements at

the time. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our Turnaround.” As a result, we have borrowed, or expect to borrow shortly subject to customary conditions, an estimated \$200 million in additional funds available under our financing arrangements. In addition, we have a signed term sheet in place, subject to definitive documentation and customary conditions, with respect to an additional \$64.0 million. For further information, see “Capitalization” and “Description of Certain Financing Arrangements.”

When we replace our ships serving main lines with new larger ships, we are usually able to use those older ships to replace our smaller feeder ships. By using fewer, larger ships on our feeder lines, we are able to create cascading economies of scale. As such, we expect that the ongoing replacement of vessels in our major markets, and the subsequent transfer of the replaced vessels to feeder and shorter main lines, will have the effect of improving the efficiency and capacity of our services beyond the lines which are the direct beneficiaries of the new replacement ships.

The following chart sets out both the size and capacity of our owned and long-term chartered vessel fleet as of December 31, 2010, and the size and capacity of our owned and long-term chartered vessel fleet that we plan to have by December 31, 2014 as a result of our ship acquisition program and charter plans:

	Container vessel fleet as of December 31, 2010		Target container vessel fleet as of December 31, 2014	
	Ships	TEU	Ships	TEU
Owned	91	440,972	106	587,647
Long-term chartered ⁽¹⁾	71	369,637	78	436,881
Total owned and long-term chartered	162	810,609	184	1,024,528

(1) Vessels of which the charter hire agreement covers a duration longer than 2 years.

Container Fleet

As of December 31, 2010, we operated an owned and leased container fleet of 1,860 thousand TEU, which we manage from our headquarters in Marseilles. The following table indicates the composition of our container fleet as of that date:

Container Type	TEU
20-foot	528,417
40-foot	1,308,009
45-foot	23,644
Total	1,860,070

We believe that owning containers is generally less expensive than hiring them under operating leases. However, operating leases provide us with the ability to adjust our container fleet in response to changing market conditions or changing requirements of specific lines. As of December 31, 2010, 63% of our container capacity, or approximately 1,170 thousand TEU, was obtained through operating leases. We owned the remaining 37% of our container capacity, corresponding to approximately 686 thousand TEU.

We manage empty container movements through day-to-day reports provided by our shipping agencies throughout the world. We also monitor vessels in order to permit filling empty slots with empty containers and to minimize the need to reposition these containers to new locations to be filled with cargo. Empty containers are generally stored in depots throughout the regions where we operate, which are managed by third parties. In addition, after we deliver a shipment, our customers sometimes retain empty containers for a period exceeding the agreed shipping terms. When this happens, we normally charge customers a daily fee, called demurrage, until the container is returned to us. When the opportunity arises, we sometimes also coordinate with other carriers, either directly or through brokers, to exchange empty containers in various locations in order to avoid the need to reposition them.

Shipping Agencies

Our operations are supported by a network of over 150 shipping agencies worldwide with more than 650 offices. We own or have a majority stake in 114 of these shipping agencies, which accounted for approximately 95% of the carried volumes in 2010. These owned shipping agencies cover many of our principal locations.

We rely on our shipping agencies, which we staff primarily with local residents, to perform most of our sales and marketing functions and to manage customer relationships on a day-to-day basis. These shipping

agencies are responsible for soliciting cargo within their defined area of representation, promoting our services within the guidelines set by our Marseilles-based communications department, preparing and processing bill payments and acting as customer service representatives, handling complaints and queries. In addition, our shipping agencies are generally responsible for supervising port operations with respect to the import, export and transshipment of containers, monitoring the status of containers en route, managing the storage, maintenance and logistical movements of containers, documenting shipments and obtaining local permits and other necessary authorizations.

Shipping agencies are also generally responsible for bill collection on the transactions they have conducted. We have implemented, and continue to update, a global electronic financial system across all our shipping agencies to replace monthly general account reports in paper form. This system will allow us to collect accounts data in a uniform, efficient manner, as well as enable the head office to more closely monitor and control cash remittance. We generally require shipping agencies to provide us with a bank guarantee insuring the performance of their financial obligations to us.

We typically grant our shipping agencies exclusive rights within a particular area of representation. In turn, we require them to represent us exclusively on the lines that we operate. We have instituted a commission system for both owned and third-party shipping agents that is based on various factors, including freight rates, transshipment fees, container control fees, attendance fees, lump sum payments for communication expenses, container damage recovery fees, demurrage collection and miscellaneous collection commissions.

We monitor and control all our shipping agencies on three primary levels: credit control, accounting and cost control. Our credit control department reconciles payments due from shipping agencies with vessel manifests and aims to ensure that shipping agencies pay us freight charges on the date these charges are due. Our accounting department is responsible for ensuring that all of the manifested freight revenue and all expenses are recorded in the monthly statement balancing the positions of the shipping agency and our company. Our cost control department is responsible for ensuring that the shipping agency complies with our supplier payment, customer charging and head office procedures. In addition, our internal auditors regularly audit all our shipping agencies. Our owned shipping agencies also provide us with monthly income and volume reports.

We are continuing to pursue a strategy of establishing our own shipping agencies in our major markets, in order to improve our management of marketing and revenue collection and better control our costs at the point of sale. Compared to 2006, the number of agencies where we hold a majority increased from 69 to 114 (or approximately 60.5%) as of December 31, 2010.

Terminal Investments

Our Terminal Link subsidiary, established in 2001, seeks to invest in and secure access to terminal facilities in ports where we have significant operations. Effective management of the loading, off-loading and transshipment of cargo requires a high level of coordination among the various port terminal actors, including ship schedulers, stevedores and haulers of containers pre- and post-journey. Terminal Link invests in facilities within ports pursuant to joint venture arrangements with partners that have experience in operating port facilities and that contribute necessary on-shore equipment. Through these investments, we expect to gain “most favored nation” status at these public terminals, which we anticipate will provide preferred access to berths, limit any future increases in our port charges and afford greater control over port activities and laborers, including stevedores.

We currently have the following terminal investments:

- In 2003, Terminal Link, through a joint venture, Portsynergy, acquired an 80% interest in Egis Ports, a leading French stevedoring company with terminal usage rights in Marseilles/Fos and Le Havre.
- In 2004, Terminal Link, through a new subsidiary, Malta Freeport Terminal Ltd., secured a 30-year concession to manage the port terminal in Malta, one of our primary hubs, although we presently intend to dispose of a 49% minority interest in the port.
- In 2005, Terminal Link signed a 15-year cooperation agreement with Chiwan Container to secure optimal berthing conditions and enhance our operations in the strategic port near southern China’s Pearl River estuary and the Shenzhen economic zone.
- In 2005, we also acquired a 10% stake in a terminal in Antwerp, Belgium for €1 million and a 35% stake in a terminal in Zeebrugge, Belgium for €3.5million.

- In January 2006, a consortium of terminal operators, of which we own 20%, acquired a 30-year concession right to a port terminal in Tangier, Morocco in return for which the consortium has undertaken to construct the port facilities at this terminal, which are currently estimated to cost \$150 million over five years.
- Through our acquisition of Comanav in 2007, we increased our total investment to a 40% stake in Tangier, Morocco's second largest container terminal, and gained access to the port terminal in Casablanca, Morocco through Somaport.
- In 2006, we also acquired a 30% stake in Dunkirk's container terminal and, at the end of 2010, increased this stake to 91%.
- In 2008, Terminal Link acquired 25% of Terra terminal in Abidjan, Côte d'Ivoire through a 15-year (renewable) agreement to manage the terminal with a partnership of CMA CGM (though Terminal Link), Manuport Afrique, and SOCOPAO CI.

Investment in Charter Company

We currently own 44.7% of Global Ship Lease, Inc. ("GSL"), a company that charters vessels to us, as well as third parties. As of December 31, 2009, GSL's fleet consisted of 17 containerships, including three newly built vessels, with an aggregate capacity of 66,297 TEU, a weighted average age of approximately 5.8 years and a non-weighted average age of 6.9 years. We currently charter 17 vessels from GSL. GSL is currently listed on the New York Stock Exchange and, as of December 31, 2010, had a total market capitalization of approximately \$365 million.

Line Management

Each of our lines is administered by a line manager, along with three deputy line managers: the trade manager, the operation manager and the management controller. Each line manager works to optimize the mix of loads from the various ports on a line in order to maximize profits. The trade manager primarily manages the balance of cargo to maximize the line's commercial benefit, the operation manager ensures that the vessels remain on schedule and the management controller ensures compliance with our procedures and controls. Together, this team is responsible for ensuring that quality and profitability targets are met for its line.

Our policy is to ensure that there is a large degree of overlap in the capability of our management team. As a result, with relatively few exceptions, we believe we could operate our business without significant disruption despite the loss of any particular line or deputy line manager.

Customers

We have two types of customers: direct shippers, comprising exporters and importers, and intermediaries, also known as freight forwarders. Exporters include a wide range of enterprises, from global manufacturers to small family-owned businesses that may ship just a few TEU each year. Importers are usually the direct purchasers of goods from exporters, but may also comprise sales or distribution agents and may or may not receive the containerized goods at the final point of delivery. Freight forwarders act as agents for direct shippers, performing a range of duties that would otherwise be part of our door-to-door service, such as documentation processing, insurance, customs clearance, inland transportation, warehousing and container tracking. Alternatively, freight forwarders may independently purchase transport services from carriers and sell them bundled with other services.

The top ten freight forwarders, such as for example DHL, Kühne & Nagel and Schenker, accounted for approximately 10% of our operating revenue in 2010. Freight forwarders usually receive fees from their customers and commissions and volume discounts from the third-party carriers they use. The commissions we pay to freight forwarders generally range from nil to 2.5% of ocean freight.

We transport a diverse range of goods for many different types of customers. We had over 100,000 customers in 2010, including more than 60 companies we consider key customers, such as BASF, IKEA, Renault and Samsung. In 2010, the percentage of volumes carried for the top 20 customers represented 15% of total volumes carried and we had no customer that accounted for more than 2.8% of total volume in 2010. We believe this diversification provides us with a degree of protection against economic downturns.

Due to price competition and the extensive geographical needs of large-scale shipping customers, our customers generally do not enter into exclusive shipping relationships with us. Instead, customers maintain relationships with several carriers, although customers who ship large amounts of freight are increasingly consolidating their supply relationships to focus on a few, core carriers. Large customers will sometimes invite several carriers to tender for their business, requesting detailed information, which they use to assess which carrier they will hire. Tender requests vary significantly from customer to customer, and usually cover a series of individual, regional or global shipping requests. If our response to a tender is accepted, the terms we offered in the tender serve as standards for each individual shipment carried out under the tender. These terms become part of the bill of lading for the particular shipment of cargo. Customers' primary interests in choosing a carrier tend to include, depending on the cargo:

- geographic coverage and the availability of service in their desired area;
- price;
- a carrier's punctuality and performance record according to key industry indicators, such as voyages completed on time (especially on main lines), frequency of service and short transit times;
- a carrier's capacity to offer door-to-door and other value-added services; and
- the accuracy and timeliness of shipping documentation, including bills of lading and port activity documentation.

The price terms which we are willing to offer to a potential customer depend upon the volumes the client is shipping, the type of cargo being shipped, our available capacity on the applicable lines and the degree to which its shipping needs are global or regional. We often offer key clients—*i.e.*, those shipping large volumes and which have a widespread presence along our various lines—specially tailored rates. Our key accounts management team negotiates these rates, which are usually fixed for a specific period of time and may include specially tailored container usage rates, demurrage and provisions for potential surcharges (*e.g.*, fuel price increases or war risk insurance premium increases).

We have written service contracts with our customers in limited circumstances. In certain regions and with our key clients, the use of contracts to guarantee at least fixed price terms is prevalent and, in some cases, mandated by regulation. In the United States, for example, liner cargo must be rated at either (i) the carrier's applicable tariff rate or (ii) the rate contained in an applicable service contract that has been filed with the U.S. Federal Maritime Commission, and such contracts must contain minimum quantity commitments by shipping customers. For more information on this requirement, see "Regulatory Matters—Maritime Regulations." We also commonly use written contracts for the provision of our specialized services, such as our banana shipping services, which require refrigeration. By contrast, in Asia and certain other regions, and with freight forwarders, the use of written contracts is unusual. In Asia, the conventional method, depending on market conditions, is to quote price terms at the "current month plus two," which means the customer has the ability to rely on the price term for three months after it is quoted, or three months after the most recent shipment we provided at that price. An increasing number of our customers, particularly large direct shippers, have asked us to enter into longer-term service contracts in recent years. Where we use such contracts, we typically have service contracts reflecting fixed prices and a limited set of other terms for periods of one year and, in rare cases, longer than one year. All our shipments are covered by the basic contractual terms of the bill of lading that accompanies the shipment.

Competition

The container shipping industry is highly competitive. While in 2010, the world's top 20 carriers controlled approximately 87% of the global capacity and the top five carriers control over 40% of global container capacity, the industry remains fragmented, with over 100 carriers operating worldwide (source: Alphaliner January 2011 Monthly Monitor). Globally, market share is widely dispersed. Our share of global container capacity equalled 8.2% as of December 31, 2010. However, part of this static capacity has not been fully deployed. We expect consolidation in the industry to continue, especially among global carriers.

We compete with a wide range of global, regional and niche carriers on the lines we serve. Global carriers generally deploy significant capacity and operate extensive networks of lines in the major markets. These carriers typically organize their networks using the same hub-and-feeder systems as we do. Global carriers that compete with us include Maersk and MSC. Regional carriers generally focus on a number of smaller lines within the major markets. These carriers tend to offer direct services to a wider range of ports within a particular market than global carriers. One example of a regional carrier that competes with us is Wan Hai. Niche carriers are

similar to regional carriers but tend to be even smaller in terms of the amount of slot capacity and the number and size of the markets they cover. Niche carriers often provide an intra-regional service, focusing on ports and lines that are not served by the larger carriers. In these niche markets, we compete with niche carriers, however, our main competitors are niche operations of other global and regional carriers.

Although the trend in shipping is toward containerization, in the market for the shipping of certain lower-end cargo, such as waste paper and scrap items, we do compete directly with non-containerized shipping companies. Our activity in this segment of the market is limited.

Insurance

We maintain insurance policies to cover risks related to physical damage to, and loss of, our ships and ship's equipment, other equipment (such as containers, chassis, terminal equipment and trucks) and properties. Third-party liabilities arising from the carriage of goods and the operation of ships and shore-side equipment and general liabilities which may arise through the course of our normal business operations are also covered through insurance programs we have implemented. We renew most of these policies annually, and most of our insurance expenses are denominated in either U.S. dollars or euros. All our insurance programs are set up and administrated with the assistance of brokers such as Marsh, Willis and AON.

The vessels of the CMA CGM and Delmas fleet are insured under one primary policy for damage to, and loss of, the hull and machinery. Other vessels of the group owned by affiliates such as Comanav and Cheng Lie Navigation are covered under a locally placed insurance cover. We insure each vessel purchased under financing arrangements for the value stipulated in the financing agreement, and we insure the vessels that we own outright for at least their market value.

Our basic war policy also covers our owned vessels for losses due to war and acts of terrorism, except when our vessels operate in an excluded zone. An automatic cover is implemented for owned vessels for extra war risk zone known on January 31, 2011. Chartered vessels are insured by their owners, but when they operate in an excluded zone we must pay additional "extra war risk" premiums, which are negotiated on a case-by-case basis.

When we are subject to "extra war risk" premiums, we may pass on the additional costs of these premiums to customers. See "Regulatory Matters—Maritime Regulations" and "Risk Factors—Risks Relating to Our Business—Political, economic and other risks in the markets where we have operations may cause serious disruptions to our business."

We also maintain protection and indemnity policies, or P&I policies, with mutual clubs covering all our fleet, including chartered vessels, for:

- third-party claims arising from the carriage of goods, including loss or damage to cargo;
- claims arising from the operation of our owned and chartered ships, including injury or death to crew, passengers, or other third parties;
- claims arising from collisions, except for the CMA CGM and Delmas fleet for which collision is insured under the H&M cover;
- damage to the property of third parties;
- pollution arising from oil and other substances and salvage; and
- other related costs.

All our vessels are covered by one of four P&I mutual clubs. Our premiums under these policies fluctuate, and are directly affected by the number of claims that we and other carriers make in a preceding period. We are also sometimes subject to supplementary calls for additional payments during the coverage period of our policies. Our P&I insurance provides high limit coverage for losses on any vessel we own and \$500 million per incident for each claim on vessels we charter (including claims for pollution).

We maintain insurance cover called "ship owner's liability" (SOL) covering CMA CGM for liabilities arising out of loss of or damage to "special and valuable cargoes" or a breach of contract of carriage, where such a breach/deviation falls outside the scope of P&I cover. This comprehensive SOL insurance is offered on a "per member per annum basis," with no advance declaration required by the Association, and limited to U.S. \$5 million per event. Our customers usually take out their own insurance on such cargos.

In addition to the foregoing policies, we maintain loss of hire insurance for all our owned vessels. This insurance covers business interruption and loss of earnings for vessels that are taken out of service for repairs or detained by pirates.

We also maintain various other insurance policies to cover a number of other risks related to our business, such as:

- directors and officers cover;
- chassis, containers and handling equipment cover;
- shipping agency negligence cover;
- cover for our logistics subsidiaries;
- cargo handling cover in certain ports;
- property / content insurance policy;
- building;
- construction all risks third-party liability;
- public liability cover;
- cover for all our moveable equipment;
- repatriation cover for our crew and expatriates; and
- chassis road liability cover for our operations in the United States.

We also carry a contingency risk policy that covers the costs related to disruptions in scheduled service. We do not insure against losses from labor disturbances, although these losses may be covered to some extent under our other insurance. We believe that the types and amounts of insurance coverage that we currently maintain are consistent with customary practice in the international container shipping industry and are adequate for the conduct of our business.

Information Systems and Logistical Processes

Our information systems and logistical processes are key operational and management assets which support many of our business units, including shipping agencies, individual lines and various head office departments, through a mixture of purchased software packages, third-party providers and systems developed in-house.

The ability to process information accurately and quickly is fundamental to our position in the container shipping industry, which is characterized by constant movement of thousands of individual items across a global network of sea and inland routes. We have developed and deployed a global information system that consolidates information from across all our operations using real-time internet-linked technologies and a common software platform, allowing all our employees access to the most up-to-date shipping information available. The following are the major modules to this system:

- LARA. Through Lines and Agents Real Time Application, or “LARA”, our core system for the management of shipping agency activities, most of our shipping agencies are connected using internet-linked technologies to the relevant departments in our Marseilles headquarters, sharing the same database that has been designed to manage all of the different aspects of customer relationship and operations management. For example, LARA provides customers with information on all our lines, schedules, calls, provides quotes, handles bookings, processes documentation and invoicing, tracks the movement of containers, handles customs-related matters for the release of containers upon their arrival and keeps track of information that is relevant for financing and accounting purposes. Shipping agencies covering 91.4% of our volume are deployed with LARA.
- OCEAN. Through Oracle Centralized Accounting Network, or OCEAN, our system for financial reporting, we fully streamline internal financing reporting, consolidation and budgetary processes for all our businesses (carrier-module), in addition to cash remittance management and accounting monitoring from agencies to headquarter (agencies-module). As of December 31, 2010, 68.3% of our worldwide volumes is managed by this system. The deployment of the OCEAN carrier-solution for subsidiary carriers began in 2008 and is ongoing (ANL, Delmas and Cheng Lie Navigation are already equipped with the new version of OCEAN and CMA CGM is planned to be deployed in 2012), which will allow all of the companies to use the same tools.

- **LOAD.** Through Lara, Ocean and Diva, or “LOAD”, we cover subsidiary carriers’ standard business needs. Implementation of LOAD began in 2008 and is ongoing. This system allows companies within the group to use the same standardized tools and reporting modules to gather and report data for the group.

In 2006, we entered into a joint venture with IBM through which we have outsourced our IT systems and enhanced our IT training program. Our aim is to leverage IBM’s expertise to provide our employees with advanced IT training and to secure operational efficiency of our IT systems, ultimately improving customer service. All of the IT systems that we have in place are backed up by a disaster recovery facility sponsored by IBM, based in the outskirts of Paris, off-site from our headquarters in Marseilles. The facility allows us to resume the operations of our IT systems in full within two hours of losing our main servers in Marseilles. We own and operate the hardware and software at the back-up facility, with support from IBM during evenings, weekends and holidays.

In addition, we have implemented INTTRA (www.intra.com), an electronic marketplace which offers customers a wide range of on-line services, including scheduling, booking requests, booking confirmations and consolidated container monitoring, in cooperation with five other leading global carriers, Maersk, Hamburg Süd, MSC, Hapag-Lloyd and United Arab Shipping Company (S.A.G). INTTRA is now covering almost 47.7% of the volumes generated by the IT operational system.

We have developed institution-wide logistical skills in order to establish and maintain our global network of lines, as well as the technological systems and transportation infrastructure necessary to support those lines. These skills are integral to our ability to service a widely dispersed customer base at a local level while maintaining a global network. Our customers expect us to provide “just-in-time” inventory shipping services, to be flexible with respect to last minute shipment changes and delays and fluctuating shipment sizes and to be able to address these logistical challenges while keeping our vessels on schedule. Information exchange with respect to such items as booking procedures, administrative documents, invoicing and tracking is continuous among our different locations, customers and suppliers and is a key element in the quality of our customer service.

Employees

The following tables provide certain information about our full-time employees, divided by geographic location and function as of December 31, 2008, 2009 and 2010:

	As of December 31,		
	2008	2009	2010
France ⁽¹⁾	4,468	4,092	4,162
Europe	3,397	3,316	3,356
Asia Oceania	4,031	4,036	4,246
Americas	1,711	1,644	1,919
Middle East & Africa	4,059	3,964	3,824
Total	<u>17,666</u>	<u>17,052</u>	<u>17,507</u>

(1) These figures include French overseas departments and territories.

We do not directly employ any agency staff other than the staff of our owned agencies. The employees of these owned agencies are generally supervised by the central management of their respective shipping agencies on a country-by-country basis.

All our French employees and some of our employees in other countries are employed under collective bargaining agreements. We have not recently encountered any major union difficulties or strike actions involving our employees, and believe that our relations with our employees and the unions of which our employees are members are good.

Properties

We own, lease or have rights to use approximately 422 properties globally, either directly or through one of our subsidiaries. Of these, our principal properties are our headquarters in Marseilles and our office facilities in Norfolk, Virginia in the United States, which are described below.

Our headquarters are located on Quai d’Arenç in Marseilles. We recently relocated to a newly-constructed office building, commissioned of architect Zaha Hadid, which is 147 meters high with 33 floors, with capacity

for 2,700 people (enough for all our employees based in Marseilles) and a gross floor area of 64,000 square meters, and will be a center of a development plan for Marseilles's international business district. This new building is financed through a secured credit facility. In addition, following the move to our new headquarters, we will still own our original headquarters, which was built in the 1970s and has 8 floors, with a capacity for 354 people and a gross floor area of 7,056 meters.

Our office facilities for our U.S. operations are located in Norfolk, Virginia, where our wholly owned subsidiary CMA CGM (America) Inc. owns an office building with approximately 90,000 square feet of office space. The acquisition, construction and equipment of this office building was internally financed.

Delmas's office facilities are located in Le Havre, France, where Delmas leased an office building totaling approximately 8,940 square meters from a consortium of real estate lenders under a sale-leaseback arrangement. We purchased these properties for €4.3 million in May 2010 at the end of the period of the sale-leaseback arrangement.

As of December 31, 2010, we operated 114 fully owned or jointly owned shipping agencies around the world. Each of our agencies typically leases small offices for sales, administration and management functions. We do not consider any specific leased location to be material to our operations.

We believe that our properties are in good condition and are adequate for our current needs. We evaluate our needs periodically and obtain additional facilities when considered necessary.

Legal Proceedings

From time to time we are engaged in litigation incidental to our business. We believe the industry-specific insurance and the claims handling procedures that we maintain are adequate to protect the Company against such claims and to limit their potential impact. Although any litigation, proceeding or investigation has an element of uncertainty, we believe that the outcome of any pending or threatened proceeding, lawsuit or claim, or all of them combined, will not have a material adverse effect on our business, financial condition or results of operations.

In 1997, Johnny Saadé, Jacques R. Saadé's brother, initiated a series of proceedings in the French civil and commercial courts and filed a complaint with the French public prosecution service in connection with CMA S.A.'s acquisition of CGM S.A. and related transactions. Johnny Saadé's claims brought before the civil and commercial courts were rejected by the courts in the first instance and on appeal, and in September 2000, Johnny Saadé and Jacques R. Saadé and their respective relatives entered into a settlement agreement. As part of the settlement, each of them waived all claims, present or future, against the other arising out of the facts subject to the dispute (including the complaint filed with the French public prosecution service), and Johnny Saadé sold all of his beneficial interest in us to La Teulrière S.A., a company controlled by Jacques R. Saadé.

Beginning in April 2004, Johnny Saadé, in some cases together with his company Mistral Holding SAL, initiated various proceedings to seek a declaration that the settlement agreement discussed above was null and void and, in connection therewith, claimed damages for lost profits. In January 2009, one such action in the civil courts of Beirut, Lebanon was rejected and this decision was affirmed in February 2011 on appeal. In December 2010, another such action was rejected in the commercial court of Marseilles, France and Mistral Holding SAL was ordered to pay €1 million in damages to the Company. An appeal is currently pending on this claim and, on the same date that this claim was rejected, Johnny Saadé and Mistral Holding SAL filed another action in the commercial court of Marseilles on the same grounds but seeking a lower amount in damages. In connection with the initial claim in the commercial court of Marseilles, Mistral Holding SAL obtained a temporary freezing order from the Court of Beirut on the assets of Merit Corporation SAL, a company owned by Jacques R. Saadé, in Lebanon pending final resolution of this claim. Furthermore, in May 2010, Johnny Saadé and Mistral Holding SAL initiated an action in the commercial court of Marseilles seeking to force wind-up proceedings (*redressement judiciaire*) of the Company. This claim was also rejected and Johnny Saadé and Mistral Holding SAL were ordered to pay €250,000 in damages for pursuing the claim. An appeal is currently pending. We believe all such claims and appeals will be similarly dismissed by the courts, particularly in light of the damages that have been imposed against Johnny Saadé and Mistral Holding SAL for pursuing such actions and his failure to pay any such damages.

In February 2011, the United States Office of Foreign Asset Control, or OFAC, issued a pre-penalty notice to our subsidiary, CMA CGM (America) LLC, for a proposed penalty of \$416,000, relating to certain

transactions involving Cuba, Iran and Sudan from 2004 to 2008, including accepting payments for shipping charges related to exports to Cuba, Iran and Sudan without an applicable license, facilitating the exportation of goods from foreign ports to Iran and Sudan and acting as a shipping agent for shipments to Sudan. We are currently working with OFAC to resolve such violations and the applicable penalties.

On September 4, 2009 we entered into with Lehman Brothers Bankhaus A.G. (“Lehman Brothers”) a settlement agreement (“Settlement Agreement”) relating to a dispute arising out of transactions under an ISDA Master Agreement and a Credit Support Annex dated May 8, 2008 (“ISDA Agreement”) which was terminated following the Lehman Brothers’ bankruptcy. Under the Settlement Agreement, Lehman Brothers and we agreed to fully settle the ISDA Agreement through the payment to Lehman Brothers of an amount of \$36 million in five installments. Failure to pay any of such installments would entitle Lehman Brothers to immediately require payment of the original amount of \$42 million less any amounts previously paid, together with any interest at the rate of 3%. On September 15, 2009, we failed to pay the first installment, which led to the entering into of a supplemental settlement agreement which purpose was to revise and postpone the initial payment dates. As we did not pay these subsequent installments, a second supplemental settlement agreement was entered into on January 20, 2010. We did not pay the newly agreed installments, which led Lehman Brothers to notify us on March 11, 2010 that it was requiring payment within 14 days of the \$42 million amount less \$10 million previously paid by us, plus interest rate of 3%.

In 2010, we petitioned the Commercial Court of Marseilles for a postponement of the payment of the debt owed to Lehman Brothers and obtained such postponement until March 30, 2012. Lehman Brothers appealed the court’s decision before the Court of Appeal of Aix-en-Provence which ruled on January 27, 2011 that postponement should be reduced to March 31, 2011. We have contacted Lehman Brothers for the purpose of negotiating a new settlement agreement with respect to such amounts. We have provided for the amount of \$32 million as a financial liability on our consolidated financial statements.

Corporate Information Regarding the Issuer

The Issuer was incorporated as CMA S.A. on September 1, 1978 under the laws of France, as a *société à responsabilité limitée*, and the Issuer became a *société anonyme* in 1986. The Issuer is registered under number 562024422 in Marseilles, and it has authorized share capital of €175 million, divided into 10,578,357 ordinary shares and 1 A Preference Share, with such shares having been issued and paid in full, as well as certain B Preference Shares to be issued upon conversion of the ORA.

Voting rights and other rights provided for under French laws and regulations for ordinary shares are attached to the Issuer’s ordinary shares. Rights attached to the A Preference Share and to the B Preference Shares are set in our Articles of Association (*statuts*).

Our corporate purpose, as specified in our Articles of Association, is to carry out (i) all maritime transport, construction, purchasing, sales, repair, fitting out, master vessel chartering, handling, warehouse operations, purchases and sales of goods, port and rail services, marine riches operation and all tourist and hotel activities; (ii) the operation of all maritime postal services that have been transferred to the Company or that may be subsequently transferred to it; (iii) investment, by all means, in all transactions related to its corporate object, by incorporating new companies, subscribing to or purchasing shares or securities, merging or otherwise; and (iv) all transport operations irrespective of type, and generally all commercial, industrial, real estate, movable and financial operations either directly or indirectly associated with the objects hereto which may promote its expansion or its development.

REGULATORY MATTERS

Our operations are materially affected by government regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which the ships operate, as well as in the country or countries of their registration. Because such conventions, laws and regulations are subject to revision, we cannot predict the continuing cost of compliance with such conventions, laws and regulations, the impact thereof on the resale price or useful life of ships or on business operations. Additional laws and regulations, environmental, security-related or otherwise, may be adopted and could increase our costs or limit our ability to service particular areas. See “Risk Factors—Risks Relating to Our Business.”

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our operations. Subject to the discussion below and to the fact that the kinds of permits, licenses and certificates required for the operation of the vessels that we own will depend upon a number of factors, we believe that we have been and will continue to be able to obtain all permits, licenses and certificates material to the conduct of our operations.

Maritime Regulations

France. We are subject to wide-ranging laws and regulations regarding maritime operations, most of which are set forth in the French Code of Transportation, and in particular in Articles L5000-1 *et seq.*, and in the French Customs Code.

As part of our effort to qualify for certain tax advantages available from the French government for financing the purchase of new vessels, approximately 22% of the container ships we own fly the French flag. Under art. 219 of the French Customs Code, the main requirements for a vessel to be registered under the French flag are the following:

- the vessel must have been built in France or in the territory of an EU member state or have paid applicable import fees and taxes in one of these countries; and
- the vessel must be at least half-owned or will be half-owned following the exercise of a purchase option under a financial lease agreement: (i) by nationals of France or other EU or European Economic Area (“EEA”) member state; (ii) by a company that is headquartered in France, or in the territory of another EU or EEA member state (provided in the latter two cases that the vessel is controlled and managed from a French permanent establishment); or (iii) by a company which is not headquartered in the European Union or in the EEA provided that pursuant to an agreement between France and this country, a French registered company may legally conduct business and be headquartered in such country (provided that the vessel is controlled and managed from a French permanent establishment).

In order to enhance the competitiveness of the French flag, the Law No. 2005-412 of May 3, 2005 (now codified under Articles L5611 *et seq.* of the French Code of Transportation) has created a French International Register, pursuant to which vessels may be registered subject to certain conditions being met. The related legal regime provides, among other advantages, for certain tax exemptions of the salaries paid to the crew. French safety and environmental law is applicable. Crew residing outside the French territory are subject to a labor and welfare regime specifically organized by the law. The main conditions for registering a vessel on the French International Register are the following:

- 35% of the crew must be EU, EEA or Swiss Confederation nationals, this proportion being lowered to 25% if the vessel does not benefit—or no longer benefits—from the tax exemption scheme available upon its purchase; and
- the captain and the chief officer must be EU, EEA or Swiss Confederation nationals.

European Union. In the European Union, we are subject to competition regulations set forth in Title VII of the Treaty on the Functioning of the European Union, mainly Articles 101 and 102. In the context of container shipping, these principles are implemented through Council regulations 1/2003 and 246/2009.

In October 2008, the Council repealed Regulation 4056/86, putting an end to the possibility for liner carriers to meet in conferences, fix prices and regulate capacities. However, on September 28, 2009, the Commission

adopted Regulation 906/2009 on the application of Article 81(3) of the Treaty to certain categories of agreements, decisions and concerted practices between liner shipping companies (consortia) (the “Consortia Regulation”), which became enforceable on April 26, 2010 and will continue to apply until April 25, 2015.

Consortia are forms of operational cooperation between liner shipping companies with a view to providing a joint maritime cargo transport service. Liner shipping carriers transport cargo, in practice mostly by container, on a regular basis and on the basis of advertised timetables to ports on a particular geographic route. The cooperation within a liner shipping consortium must be limited to operational cooperation (notably sharing space on their respective vessels). The consortium members therefore market and price their services individually.

Due to the high number of vessels required to operate a regular liner shipping service on a route, consortia allow the rationalization of their members’ activities, economies of scale, and more efficient use of vessel capacity. Consortia thus help to improve the service that would be offered individually by each of the members. Customers receive a benefit from such cooperation, in terms of services provided (higher, more regular, frequencies, wider coverage of ports), as long as the consortium is subject to effective competition.

United States. Our carrier operations serving U.S. ports are subject to the provisions of the Shipping Act of 1984, as amended by the Ocean Shipping Reform Act of 1998 (the “Shipping Act”). Among other things, the Shipping Act confers immunity from U.S. antitrust laws for certain agreements between ocean common carriers operating in the United States foreign commerce, provided that the agreement has been filed with the U.S. Federal Maritime Commission (the “FMC”), and has become effective in accordance with the Shipping Act. The most common types of carrier agreements are slot exchange agreements, whereby carriers share space on each others’ ships, and discussion agreements, in which carriers may discuss rates and other terms of service in the covered trades and voluntarily adopt recommended ocean freight rates and charges and other terms and conditions of service. We refer to these types of agreements as co-operation agreements. To receive a U.S. antitrust exemption, these co-operation agreements must be filed with the FMC and must become effective in accordance with the terms of the Shipping Act. In the normal course, a carrier agreement will become effective 45 days after filing, or 30 days after publication of the agreement in the Federal Register, whichever is later; the review period may be shortened if it qualifies for “expedited review” or falls within specified categories, such as a “low market share agreement.” This review process may be extended if the FMC requests additional information from the parties to the agreement. If the FMC determines that the agreement is “substantially anti-competitive,” a court injunction may be sought to prevent the parties from operating under the agreement.

Under the Shipping Act, ocean common carriers serving U.S. ports may offer container shipping to customers either through semi-confidential service contracts or through publicly available tariffs. The Shipping Act requires carriers to publish their tariff rates and certain service contract terms (other than the contract rates) electronically to allow public Internet access. Our liner services to U.S. ports are subject to Shipping Act and FMC regulatory requirements relating to carrier agreements, tariffs, and service contracts and civil penalties may be imposed for any failure to adhere to these statutory and regulatory requirements. Currently, penalties of up to \$8,000 may be imposed for non-willful violations and up to \$40,000 for each willful or knowing violation. It is important to note that the maximum amount for civil penalties is adjusted for inflation every four years, with the last adjustment occurring in August 2009.

In March 2010, the FMC initiated an Investigation (No. 26) on the “Vessel Space and Equipment Availability Situation on U.S. Trades,” triggered by general complaints of shippers about the shortage of equipment and the underlying allegation of collusion between carriers. There have been public hearings and confidential interviews with the industry. While the FMC’s investigation appeared to focus upon solutions to vessel space and equipment shortages, rather than on identification of individual carriers or groups in default, the general trend of U.S. regulatory practice seems to be one of greater scrutiny and the potential for increased application of penalties should not be discounted.

International. The IMO adopted stringent safety standards as part of the International Convention for the Safety of Life at Sea (“SOLAS”). Among other things, SOLAS, which is applicable to our vessels, establishes vessel design, structural, materials, construction, life-saving equipment, safe management and operation, and security requirements to improve vessel safety and security. The SOLAS requirements are revised from time to time, with the most recent modifications being phased in through 2010.

In 1993, SOLAS was amended to incorporate the International Safety Management Code or ISM Code. The ISM Code provides an international standard for the safe management and operation of ships and for pollution

prevention. The ISM Code became mandatory for container vessel operators in 2002. Our operations comply with the ISM Code and all our vessels have obtained the required certificates demonstrating compliance with the ISM Code.

Our vessels are regularly audited or inspected by flag states, as well as other national and international authorities acting under the provisions of their international agreements related to port state control authority, the process by which a nation exercises authority over foreign vessels when the vessels are in the waters subject to its jurisdiction.

We believe that we are in substantial compliance with all requirements of SOLAS and the ISM Code applicable to our operations.

Our activity is also very sensitive to political developments, and we have to adapt our operations very quickly in order to ensure a compliance with the multiple international and domestic regulations. For instance, following the sanction adopted by the United Nations dated June 9, 2010, the EU regulation adopted on July 26, 2010, and the US Cisada, we set up an Iran Compliance Desk in our head office with a dedicated person in charge of ensuring that the sanctions are well understood and protections against the imposition of such sanctions are properly implemented within the Company.

Security. Following the terrorist attacks on September 11, 2001, the U.S. Government adopted certain measures to improve security at various U.S. ports and with respect to vessel and cargo movements to and from the United States. On December 2, 2002, in response to a growing concern about terrorist attacks, the U.S. Customs Service (now U.S. Customs and Border Protection) implemented what is sometimes called the “Advance Manifest Rule,” designed to enable Customs to evaluate the risks associated with certain shipments, and to screen cargo as necessary, before it is loaded onto vessels for importation to U.S. ports. The rule applies to all containerized cargoes, as well as break bulk cargoes unless specifically exempted. This rule requires carriers to submit expanded documentation regarding a vessel’s cargo at least 24 hours before they begin loading a ship in a foreign port and prescribes penalties for carriers that fail to do so. Effective as of March 4, 2004, Customs began requiring that this information be submitted electronically through the automated manifest system (“AMS”). In addition, effective as of June 6, 2005, crew and passenger information must also be submitted electronically at least 96 hours before entering the first U.S. port, with certain exceptions for voyages of less than 96 hours. Failure to comply with these requirements may result in a vessel’s entry into a U.S. port being delayed or denied or the assessment of penalties.

We have imposed a surcharge on cargo traveling to or through the United States to reflect the increased costs we incur under the notification and monitoring program. U.S. authorities have also increased container inspection rates. This is in some part due to legislation passed in 2006 (“the SAFE Port Act”) mandating that, by the end of 2007, all containers entering the 22 highest volume ports be screened for radiation, and by the end of 2008, all containers entering all U.S. ports be screened for radiation. The SAFE Port Act contains other initiatives, including a plan for increased random inspections of container contents, the inspection of high-risk containers in foreign ports, and the implementation of an automated targeting system for high-risk cargo, all of which may further increase inspection and monitoring costs for carriers. The U.S. inspection, notification and monitoring programs may, in the future, be expanded and may also be followed by the implementation of similar or more intrusive and costly notification, monitoring and inspection programs in other countries where we operate.

As part of the initiatives undertaken since the terrorist attacks of September 11, 2001 to enhance vessel and cargo security, the U.S. Congress enacted the Maritime Transportation Security Act of 2002 (“MTSA”), which became effective on November 25, 2002. To implement certain portions of MTSA, the U.S. Coast Guard issued regulations in July 2003 specifying certain security procedures and requirements that must be observed by shoreside facilities and vessels operating in waters subject to the jurisdiction of the United States effective July 1, 2004. Similarly, in December 2002, the IMO amended SOLAS to include special measures to enhance maritime security and adopted the International Ship and Port Facility Security Code, or ISPS Code, which imposes various detailed security obligations on vessels and port facilities effective as of July 1, 2004. MTSA implements the ISPS Code in the United States. The ISPS Code requires, among other things:

- onboard installation of automatic identification systems to permit tracking of the vessels;
- onboard installation of ship security alert systems;
- development of ship security plans; and
- compliance with flag-state security certification requirements.

The U.S. Coast Guard regulations, which are generally consistent with the international requirements, exempt foreign-flag vessels from the MTSA requirements to submit a security plan to the United States for approval, provided such vessels have on board a valid International Ship Security Certificate demonstrating the vessel's compliance with the ISPS Code. As part of its port-state control program, the U.S. Coast Guard conducts verification examinations and inspections to verify ISPS Code compliance. Failure to comply with these requirements may result in a vessel being assessed penalties, detained, denied entry into port, or expelled from port. Moreover, our vessels call at U.S. ports which are subject to both the MTSA and the U.S. Coast Guard's security regulations. In rare instances, operations at these ports may be significantly curtailed or shut down by the U.S. Coast Guard for security reasons beyond our control.

In addition, and since January 1, 2011, any good entering or transiting the territory of the European Union must have been declared in advance to customs via electronic declaration at least 24 hours prior to the departure from the port of loading.

Environmental Regulations

International. The IMO is the United Nations agency responsible for maritime safety and the prevention of maritime pollution by ships. The IMO has adopted several international conventions that require measures to improve safety and security at sea and prevent marine pollution. The International Convention for the Prevention of Pollution from Ships ("MARPOL"), is the main international convention imposing requirements to prevent pollution by ships due to operational, intentional or accidental causes. Technical standards are set forth in six annexes to the convention that deal, respectively, with the prevention of pollution by oil (Annex I), noxious liquid substances (Annex II), harmful substances in packaged forms (Annex III), sewage (Annex IV), garbage (Annex V) and air emissions (Annex VI). We believe that all our ships, whether owned or chartered, comply with all of the applicable material provisions of MARPOL as adopted by their respective flag states.

The IMO has also adopted several other conventions relating to marine pollution. These include the International Convention for the Control and Management of Ships' Ballast Water and Sediments, which was approved on February 13, 2004, but has not yet entered into force. If this convention is ratified by the necessary number of countries representing a certain percentage of vessel tonnage worldwide, it will require mid-ocean ballast water exchange and ballast water treatment and could cause us to incur substantial compliance costs. Other IMO conventions relate to the elimination of tin-based anti-fouling paint on ships' hulls, ship recycling, and transportation of dangerous goods and marine pollutants.

Responsibility for the enforcement of IMO conventions is primarily left to the flag states. However, under national (e.g., the U.S. Coast Guard) or regional port state control initiatives (e.g., for the European coastal line, the Paris Memorandum of Understanding ("Paris MOU")), port state authorities are empowered to inspect vessels to verify the condition and acceptability of foreign vessels using their ports. These schemes are designed to target substandard ships and could result in detention in port or expulsion from port.

European Union. The European Union has been empowered to enact legislation on maritime safety and environmental protection under the co-decision procedure since the passage of the 1992 Maastricht Treaty. The bulk of this legislation aims at implementing IMO Conventions in a harmonized way in order to enhance safety and pollution prevention standards and monitoring procedures.

Directive 96/98/EC provides for the uniform application of the relevant international conventions relating to the safety of on-board equipment in order to achieve a high standard of quality and ensure the free movement of such equipment within the European Community. Directive 2008/106/EC consolidates prior European legislation on the minimum level of training of seafarers with the objective of enhancing maritime safety and pollution prevention at sea, notably by removing substandard crews and guaranteeing effective oral communication relating to safety between members of the crew. Directive 2001/96/EC establishes harmonized requirements and procedures for the safe loading and unloading of bulk carriers, in order to reduce the risk of structural damage to the ship due to improper loading or unloading. Directive 2000/59/EC aims at enhancing the availability and use of port reception facilities for ship-generated waste and cargo residues in EU ports. Regulation 336/2006 of the European Parliament and of the Council implements the International Safety Management Code of the IMO.

Implementation of safety and pollution prevention standards are also governed by two directives. Directive 2009/15/EC establishes measures to be followed by the Member States and organizations concerned with the inspection, survey and certification of ships for compliance with the international conventions on safety at sea and prevention of marine pollution. Directive 2009/16/EC sets harmonized Member State port control rules as to

inspection rates, targeting, inspections procedures, port access refusal, rectification of deficiencies and detention of ships. This Directive is based on the Paris MOU, and both documents are kept equivalent through a policy of conforming changes.

In the wake of the Erika tanker sinking in 1999, the European Union passed three packages of legislation known as Erika I, Erika II, and Erika III packages designed primarily to reinforce oil tanker safety rules. Erika II included the Directive 2002/59/EC setting up a vessel traffic monitoring and information system aiming to give Member States rapid access to all important information relating to the movements and cargo of ships carrying dangerous or polluting materials. It also included Regulation 1406/2002, which sets up a European Maritime Safety Agency designed, among other things, to monitor the overall functioning of the European Community port State control arrangements by means of visits to the Member States. Recently, the European Union passed additional pieces of legislation as part of Erika III. Notable among this new package of legislation are Directive 2009/21/EC, which aims to ensure that Member States effectively and consistently discharge their obligations as flag States in order to enhance safety and prevent pollution from ships flying the flag of a Member State, and Directive 2009/20/EC, which sets forth rules on certain aspects of the obligations of shipowner's insurance for maritime claims. After the Prestige tanker sinking in 2002, the European Union passed Council framework decision 2005/667/JHA to strengthen the criminal law framework for the enforcement of the law against ship-source pollution and Directive 2005/35 of the European Parliament and of the Council on ship-source pollution and on the introduction of penalties for infringements.

As per Directive 2005/33/EC, since January 1, 2010, all vessels when at berth in European ports must burn fuel of no more than 0.1% sulfur content, allowing sufficient time for the crew to complete any necessary fuel-changeover operation as soon as possible after arrival at berth and as late as possible before departure.

In addition, the events of September 11, 2001 have led to the enactment of Regulation 725/2004 of the European Parliament and of the Council on enhancing ship and port facility security and of Directive 2005/65 of the European Parliament and of the Council on enhancing port security.

France. French laws and regulations implement the safety and environmental rules applicable to container shipping as determined at the international and European levels. Law no. 83-581 grants powers to maritime administrators to investigate and record infringements of international conventions and national legislation on maritime safety and pollution prevention, and sets the relevant criminal penalties. This law is now codified in the Code of Transportation. Decree no. 84-810 sets the conditions under which French vessels are granted the international security and pollution prevention certificates required by IMO conventions, and implements the applicable port State control rules. New legislation has been introduced in the French Code of Environment (article L218-10 to article L218-31), imposing severe fines and imprisonment for ship-source pollution. Penalties differ depending on the size of the vessel. We believe all our owned ships flying the French flag or calling at French ports comply with all applicable material French laws and regulations.

United States. In the United States, ship owners and operators are subject to a number of federal and state laws and regulations with respect to protection of the environment in the course of ship operations in U.S. waters. The primary laws are the Oil Pollution Act of 1990 ("OPA") with respect to oil spill liability, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") with respect to spills or releases of hazardous substances, the Federal Water Pollution Control Act, also called the Clean Water Act ("CWA"), and the National Invasive Species Act of 1996 ("NISA"), with respect to ballast water management.

Under the OPA ship owners, operators and bareboat charterers are deemed "responsible parties" and are jointly, severally and strictly liable for all removal costs and damages caused by oil spills from their ships. Damages can include natural resource damages and assessment costs, real and personal property damage, net loss of taxes, royalties, rents, fees and other lost revenue, lost profits or impairment of earning capacity, and the net cost of public services necessitated by a spill response. Although the Oil Pollution Act is primarily directed at oil tankers, which we do not operate, it also applies to non-tanker ships, including container ships, with respect to the fuel carried on board. The OPA generally limits the liability of non-tanker owners to the greater of \$1,000 per gross ton or \$854,400 per discharge, which may be adjusted periodically for inflation. The liability limits were raised to this level for non-tank vessels effective July 31, 2009, and the U.S. Coast Guard must adjust the limits at least every three years to reflect increases in the U.S. Consumer Price Index. The liability limits do not apply if the incident was caused by the responsible party's gross negligence, willful misconduct, or a violation of an applicable federal safety, construction, or operating regulation. In addition, the liability is not limited if the responsible party fails to report the oil spill or fails to cooperate with the response action or comply with a removal order. The OPA also imposes civil and criminal penalties relating to certain spill incidents. As a result of

the oil spill in the Gulf of Mexico resulting from the explosion of the Deepwater Horizon drilling rig, bills have been introduced in both houses of the U.S. Congress to increase the limits of OPA liability for all vessels, including non-tank vessels.

The OPA requires all responsible parties to establish and maintain evidence of financial responsibility sufficient to meet the maximum liability to which it could be subject under the OPA. Financial responsibility may be established by any combination of the following: evidence of insurance, surety bond, guarantee, letter of credit, qualification as self-insurer or other evidence of financial responsibility. The U.S. Coast Guard will issue a Certificate of Financial Responsibility to the vessel operator once financial responsibility is established to the U.S. Coast Guard's satisfaction. Although we believe that we have sufficient insurance under our three protection and indemnity policies to cover damages that might arise under the OPA, there can be no assurance that such insurance will be sufficient to cover all such risks or that any such claims will not have a material adverse effect on our business, operations or financial condition. For information on our insurance policies, see "Business—Insurance." In addition, the Oil Pollution Act specifically preserves state law liability and remedies, whether by statute or at common law. Some U.S. states have enacted legislation providing for unlimited liability for oil spills both in terms of removal costs and damages. As such, overall liability under certain U.S. state laws for a spill is virtually unlimited, and could theoretically exceed our available insurance coverage in the case of a catastrophic spill.

In addition, Title VII of the Coast Guard and Maritime Transportation Act of 2004 ("CGMTA") recently amended the OPA to require the owner or operator of any non-tank vessel of 400 gross tons or more that carries oil of any kind as a fuel for main propulsion to prepare and submit an oil spill response plan for each vessel by August 2005. Previously, U.S. law required response plans only for oil tankers, which we do not operate. The response plans must include detailed information on actions to be taken by vessel personnel to prevent or mitigate any discharge or threat of discharge of oil from the vessel. However, because the U.S. Coast Guard has not issued regulations to implement this new requirement, the U.S. Coast Guard announced it does not intend to enforce the law until after regulations are issued and in effect. We have prepared the necessary plans to comply with the CGMTA and the Oil Pollution Act. CERCLA governs spills or releases of hazardous substances other than petroleum, natural gas, and related products. CERCLA imposes strict and joint and several liability on the owner or operator of a ship, vehicle or facility from which there has been a release, as well as other responsible parties. Spills or releases could occur during shipping, land transportation, terminal or other transport-related operations. Damages may include removal costs, natural resource damages and economic losses, without regard to physical damage to a proprietary interest. CERCLA generally limits the liability of vessel owners to the greater of \$300 per gross ton or \$500,000. In addition, for vessels that carry hazardous substances as cargo or residue, CERCLA limits liability to the greater of \$300 per gross ton, or \$5 million. Vessel operators must also demonstrate financial responsibility to the Coast Guard's satisfaction, which is evidenced by a Certificate of Financial Responsibility.

The CWA prohibits the discharge of "pollutants," which includes oil or hazardous substances, into navigable waters of the United States and imposes civil and criminal penalties for unauthorized discharges. State laws for the control of water pollution also provide varying civil, criminal and administrative penalties in the case of discharges of petroleum or hazardous substances. The CWA complements the remedies available under the OPA and CERCLA discussed above. In addition, when our vessels are operating in the navigable waters of the United States, we are also subject to liability for discharges of oil, hazardous substances, and other pollutants under the Refuse Act and the Act to Prevent Pollution from Ships, which requires specific pollution prevention equipment and operating and recordkeeping procedures; both of those laws provide for substantial administrative and civil fines, as well as criminal sanctions for violations.

The U.S. Environmental Protection Agency ("EPA") regulates the discharge in U.S. ports of ballast water and other substances incidental to the normal operation of vessels. Under EPA regulations, commercial vessels greater than 79 feet in length are required to obtain coverage under the Vessel General Permit, or "VGP," to discharge ballast water and other wastewater into U.S. waters by submitting a Notice of Intent, or "NOI." The VGP requires vessel owners and operators to comply with a range of best management practices and reporting and other requirements for a number of incidental discharge types and incorporates current U.S. Coast Guard requirements for ballast water management, as well as supplemental ballast water requirements. We have submitted NOIs for our vessels operating in U.S. waters and will likely incur costs to meet the requirements of the VGP. In addition, various states have also enacted legislation restricting ballast water discharges and the introduction of non-indigenous species considered to be invasive. Permit requirements could force us to incur substantial costs to install equipment on our vessels to treat ballast water before it is discharged or could restrict some or all our vessels from entering U.S. waters.

NISA was enacted in 1996 in response to growing reports of harmful organisms being released into U.S. ports through ballast water taken on by ships in foreign ports. NISA established a ballast water management program for ships entering U.S. waters calling for mid-ocean ballast water exchange, retention of ballast water onboard the ship or the use of environmentally sound alternative ballast water management methods approved by the U.S. Coast Guard. The Coast Guard subsequently issued regulations implementing the NISA requirements. These regulations not only established penalties for ships entering U.S. waters that fail to submit ballast water management reports, but also promulgated an extensive regime of ballast water retention and exchange procedures that must be completed outside 200 nautical miles from the United States. In addition, these regulations require vessels to maintain a ballast water management plan that is specific to the vessel and assigns responsibility to the master or appropriate official to understand and execute the ballast water management strategy for the vessel. Noncompliance with ballast water management reporting and recordkeeping requirements may result in the imposition of a civil penalty for each violation (each day of a continuing violation constitutes a separate violation). Knowing violations are subject to criminal penalties, including fines and imprisonment. We believe that we are in substantial compliance with all such material regulatory requirements.

In addition, with regard to air emissions, in November 2012, all vessels calling in the U.S. will have to switch to low sulfur fuel before entering in newly adopted North American ECA (200 NM off U.S. Coasts). This Emission Control Area was adopted at the IMO by Resolution MEPC.189(60).

In California, as per California Air Resources Board (“CARB”) regulations since July 1, 2009, all ocean-going vessel main (propulsion) diesel engines, auxiliary diesel engines, and auxiliary boilers have to be switched to low sulfur fuel when operating within the 24 nautical mile regulatory zone off the California Coastline. Furthermore, it is expected that in 2014 vessels calling at California ports (Ports of Los Angeles, Long Beach, Oakland, San Diego, San Francisco and Hueneme) will have to turn off auxiliary engines in port and connect the vessel to shorepower, a process known as cold ironing.

Inspection by Classification Societies

Every seagoing vessel must be “classed” by a classification society that has been approved by the vessel’s flag state. Classification societies certify that a vessel is “in class,” signifying that the vessel has been built and maintained in accordance with the rules of the classification society. Also, flag states often delegate to classification societies the authority to conduct vessel inspections that are required by international conventions, by corresponding laws and ordinances of the flag state, or by additional regulations and requirements independently issued by the flag state.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as in class by a classification society which is a member of the International Association of Classification Societies, or IACS. Each of our vessels is class-certified by a member of the IACS. All vessels we purchase, including second-hand vessels, must be class-certified prior to delivery.

Classification societies inspect vessels during and immediately after construction and issue an initial “in class” certification if the society’s rules are met. To maintain “in class” status, a vessel must undergo regular inspections to assess its structural strength and integrity and the reliability and function of main and essential auxiliary machinery, systems and equipment, include, among others, the propulsion system, steering system, and electrical plant. These inspections, referred to as surveys, typically involve a classification society surveyor visually examining various parts of the vessel and witnessing tests, measurements and trials where applicable. After the initial certification, surveys are conducted on a five-year cycle as follows:

Annual Surveys: Approximately once every 12 months, a classification society surveyor must conduct a general, external inspection of the vessel’s hull, equipment, and machinery. Annual surveys typically take one day, but in some cases, it takes up to several days to complete.

Intermediate Surveys: Extended annual surveys, referred to as intermediate surveys, are conducted two or three years after the initial class certification and two or three years after each class renewal survey. The intermediate survey replaces the annual survey that would have occurred that year. During an intermediate survey, a classification society surveyor conducts a more extensive inspection of the vessel’s hull, equipment, and machinery, and may also include ultrasonic thickness measurements of the hull in some cases. The shafts, stern tube bearing, boilers, and other parts are also inspected. Drydocking is required for intermediate surveys in order to thoroughly examine the vessel’s hull. For newer vessels, a diving inspection may be conducted instead of a drydock inspection.

Class Renewal Surveys: Class renewal surveys, also known as special surveys, must be carried out every five years. The class renewal survey replaces the annual survey that would have occurred that year. Class renewal surveys include extensive in-water and out-of-water examinations to verify that the structure, main and essential auxiliary machinery, systems and equipment are still in compliance with the classification society rules. The survey is intended to assess whether the structural integrity remains effective and to identify areas exhibiting corrosion, deformation, fractures, other damage, or other forms of structural deterioration. The screw shafts, tube shafts, stern bearing, boilers, and thermal oil heaters are also inspected. Drydocking is required for class renewal surveys in order to thoroughly examine the vessel's hull. Class renewal surveys may take several weeks to complete while vessels are in operation.

Non-periodic Surveys: Additional surveys may be required to assess damage or suspected damage and to evaluate repair, renewal, alteration, or conversion work. Surveys may also be required if a vessel changes ownership or changes its flag state.

If any defect is found in a classification society survey, the classification society will issue a "condition of class" or "recommendation." Conditions of class and recommendations require a ship's owner to carry out specific measures, repairs, or additional inspections within prescribed time limits in order to maintain the vessel's class certification. Compliance with conditions of class may involve extensive repairs and lengthy drydocking, which would adversely impact our revenue and require us to incur substantial costs. In particular, if a classification surveyor finds that the thickness of the hull or other structures of any of our vessels is less than required by the classification society rules, the classification society will require steel renewal. Aging vessels and vessels experiencing excessive wear and tear may require extensive steel renewal as a condition of class. Steel renewal is expensive and may involve lengthy drydocking. If steel renewal is required for any of our vessels, we would incur substantial costs in order to continue using those vessels. During inspections, classification societies also assess vessel compliance with international conventions and applicable flag state laws and regulations. If our vessels are not in compliance with these requirements, our "in class" certification could be revoked and we could be required to carry out lengthy and costly repairs. Accordingly, our policy is to keep our vessels "in class" and fitted for service at any time.

If any of our vessels do not maintain "in class" status, those vessels will be unable to trade between ports and we will therefore not be able to employ them. This could substantially decrease our revenue and cause us to incur substantial costs. Moreover, we could be in violation of certain covenants in our bank loan agreements as a result.

Classification society rules do not cover every structure or item of equipment on a vessel and do not cover operational elements such as crew training. Activities that fall outside the scope of classification society rules include such items as: design and manufacturing processes; choice of type and power of machinery; number and qualification of crew; cargo carrying capacity; maneuvering performance; hull vibrations; spare parts; life-saving equipment; and maintenance equipment. The classification societies that inspect and certify our vessels do not guarantee the safety, fitness for purpose or seaworthiness of those vessels. However, in addition to classification society rules, vessels are subject to safety regulations and inspections of their flag states, which often cover those items not covered by classification society rules, including those relating to the safety, fitness for purpose and seaworthiness of the vessels.

MANAGEMENT

Board of Directors and Other Key Management

Prior to January 18, 2010, we were governed by a Supervisory Board and an Executive Board. We have been governed by a Board of Directors (*Conseil d'Administration*) since January 18, 2010. Our Board of Directors can be reached at our principal executive offices, located at 4 Quai d'Arenc, 13235 Marseilles Cedex 02, France.

Board of Directors

The following table sets forth the name, age and position of each of the members of our Board of Directors.

Name	Age	Position
Jacques R. Saadé	73	Chairman and General Manager
Farid T. Salem	71	Deputy General Manager and Director
Rodolphe Saadé	40	Deputy General Manager and Director
Tanya Saadé Zeenny	42	Director
Tristan Vieljeux	86	Director
Denis Ranque	59	Director
Christian Garin	55	Director
Robert Yüksel Yildirim	51	Director
Evren Öztürk	29	Director
Ercüment Erdem	49	Director

Jacques R. Saadé became Chairman of the Board of Directors in January 2010 and General Manager on January 28, 2011. Mr. Saadé was the Chairman and President of the Supervisory Board between 2001 and 2010 and prior to this, Mr. Saadé was President of CMA S.A. since he founded CMA S.A. in 1977 and of CGM S.A. since November 1996. He has been President of the Franco-Lebanese Chamber of Commerce since 1986. He is Naïla Saadé's husband, Rodolphe Saadé and Tanya Saadé Zeenny's father and Farid T. Salem's brother-in-law.

Farid T. Salem has been a Deputy General Manager and a member of the Board of Directors since 2010. He was a member of the Supervisory Board since 2001 and was Group Chief Executive Vice President since 1999. Between 1978 and 1979, he participated in the creation of CMA S.A. in Marseilles. He has been with CMA S.A. since 1986. From 1976 to 1986, he acted as manager of fisheries at United Fisheries of Kuwait. He is Naïla Saadé and Sarah Salem's brother, Jacques R. Saadé's brother-in-law and Rodolphe Saadé and Tanya Saadé Zeenny's uncle.

Rodolphe Saadé has been a Deputy General Manager and a member of the Board of Directors since 2010. From 2010 to 2011, he was Deputy General Manager and Director. Prior to this, he was Chief Executive Vice President and a member of the Executive Board since 2004, and from 2001 to 2004, was a member of the Supervisory Board. He has been the Vice President overseeing U.S. Transatlantic and Transpacific lines since 2000, and previously served as a line manager between 1995 and 1999 for various lines. Before that, he served as a trainee at CMA S.A. in New York from 1994 to 1995, and he previously served as Chief Executive Officer of Dynamics Concept in Lebanon, which he founded. He is Jacques R. Saadé and Naïla Saadé's son, Tanya Saadé Zeenny's brother and Sarah Salem and Farid T. Salem's nephew.

Tanya Saadé Zeenny has been a member of the Board of Directors since January 2010. Prior to this she was a member of the Supervisory Board since 2001. She has held the position of Vice President, Corporate Communications of CMA CGM since September 1999 and prior to that held the same position in CMA S.A. She was also responsible for communications in relation to the merger process of CMA S.A. and CGM S.A., starting in 1998. Prior to that she was the Director of Corporate Communications for both CMA S.A. and CGM S.A. from 1996 to 1998. She joined CMA S.A. in 1993 in the Corporate Communications and Advertising Department. She is Jacques R. Saadé and Naïla Saadé's daughter, Rodolphe Saadé's sister and Sarah Salem and Farid T. Salem's niece.

Tristan Vieljeux has been a member of Board of Directors since January 2010. Prior to this he was the President of the Supervisory Board since 2001. He started his career with the Delmas-Vieljeux Group in 1947, where he served as President from 1967 to 1991. Mr. Vieljeux has served on the board of directors of many different companies, including Pinault, Axa, UTA, Chargeurs Réunis, Chantiers du Havre, Port Autonome de Rouen, Port Autonome de Marseille, BUMF and Total. He has also been the President of the Comité Central des Armateurs de France, of the Comité Français Naval du Bureau Veritas and of the BIMCO. He has also been a member of the Conseil Supérieur de la Marine Marchande and of the French Naval Academy.

Denis Ranque serves as an Independent Director and has been a member of the Board of Directors since January 2010. Mr. Ranque is also Chairman of Technicolor. Prior to this he was the Chairman and Chief Executive Officer of Thales Avionics Inc. (formerly, Thomson CSF and Thales Avionics Inflight Systems LLC.) since January 1998. Mr. Ranque also served as the Chairman and Chief Executive Officer of Thales at Thales Holdings UK Plc from January 20, 1998 to May 2009. Mr. Ranque was appointed honorary Commander of the Order of the British Empire (CBE) in July 2004. He graduated from the Ecole Polytechnique and the Ecole des Mines des Paris.

Christian Garin has been a member of the Board of Directors since January 2010 and prior to this he was a member of the Supervisory Board since 2004. Mr. Garin is also Vice-President of Sea Tankers (formerly Fouquet-Sacop) and was President of the Port of Marseilles from 2004 to 2009. In 2009 he was elected President of the French shipping organization—Armateurs de France. Mr. Garin obtained a law degree from the Université Aix-Marseille III in 1980.

Robert Yüksel Yildirim has been a member of the Board of Directors since January 27, 2011. He serves as the Chief Executive Officer and President of Yildirim Group. Mr. Yildirim has been involved in the family companies and businesses for over 14 years. He is responsible for Yildirim Group’s foreign trade activities, financing (trade and project) and investments of new projects (such as container terminal design, shipbuilding and acquisitions of companies). Prior to that, he spent over four years at Paceco Corp., in San Mateo, California as a design and project engineer for ship-to-shore gantry cranes, rubber-tired gantry cranes, and container handling equipment. He was awarded a bachelor’s degree and a master’s degree in mechanical engineering from Istanbul Technical University and Oregon State University, respectively.

Evren Öztürk has been a member of the Board of Directors since January 27, 2011. Mr. Öztürk has been the Chief Financial Officer–Finance Director of Yildirim Holding Inc. since 2004. He has a bachelor’s degree from Marmara University in Istanbul and masters degrees in Strategy of Management, Financial Markets and Investment Management, and Economy from Gebze Institute of Technology, Marmara University, and Yildiz Technical University, respectively. Mr. Öztürk also has a PhD in Finance and Accounting from Marmara University.

Ercüment Erdem has been a member of the Board of Directors since January 27, 2011. He specializes in international commercial law, mergers and acquisitions, privatizations, corporate finance and arbitration. He is a Professor of commercial law at Galatasaray University Law School (Istanbul) and he teaches law of negotiable instruments, corporate law, competition law and international commercial law. He is also a member of various legal associations: ICC Institute Council; ICC Incoterms Experts Group; ICC Turkish National Committee Arbitration Council. Mr. Erdem is also a Representative of Turkey in the ICC Commercial Law and Practice Commission, a member of several ICC Task Forces and the Association Henri Capitant des amis de la culture juridique française.

Other Key Management

The following table sets forth the name, age and position of each of the members of our other key management.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Olivier Dubois	56	Chief Financial Officer
Nicolas Sartini	49	Senior Vice President, Asia-Europe Lines
Elie Zeenny	49	Senior Vice President, Group Agency Network
Lars Christian Kastrup	51	Senior Vice President, Europe and Africa Regions, Group Agency Network
Jean-Phillippe Thenoz	56	Senior Vice President, North America Lines
Alexis Michel	53	Senior Vice President, Container Logistics and Reefer

Olivier Dubois has been the Chief Financial Officer since July 2010. He previously held positions as Chief Executive Officer of Théolia and Chief Financial Officer of Technip and SPIE after spending eleven years with BNP Paribas between 1980 and 1991. Mr. Dubois graduated from ESSEC Business School and IEP Paris with a degree in Business Administration.

Nicolas Sartini has been Senior Vice President, Asia-Europe Lines since 2007 and also supervises ANL and Cheng Lie Navigation. He has overseen Asia Europe trades since 1999 after previously serving as Vice President

of the Mediterranean Express line beginning in 1993. He has been with CMA CGM for 21 years. Before joining CMA S.A., he worked with Delmas from 1985 to 1990, first as a line manager of its subsidiary, Octomar, then as director of African Island Shipping and finally as a manager in charge of the Indian Ocean line. Mr. Sartini graduated from the Ecole des Hautes Etudes Commerciales business school in 1984.

Elie Zeenny was promoted to Senior Vice President of the Group Agency Network in December 2010 and has been with CMA CGM since December 2003. He previously held the position of Sales Director at PRINTONIX Inc. Mr. Zeenny graduated from San Diego State University with a Bachelor's of Science and from Hartford University with a Masters of Business Administration.

Lars Christian Kastrup has been Senior Vice President of the Europe and Africa Regions, Group Agency Network since 2007. Previously Mr. Kastrup was the CEO of the France, Tunisia, Algeria Area at Maersk France from 1999 to 2007 and Director of Transatlantic/U.S.A. liner services at AP Moller-Maersk Copenhagen from 1996 to 1999. He graduated from the Advanced Management Program of the Wharton School of the University of Pennsylvania.

Jean-Phillippe Thenoz has been Senior Vice President of the North America Lines since 2007. Mr. Thenoz has been with CMA CGM for 25 years. He has previous experience with Chargeurs Réunis and NAVITEC. Mr. Thenoz graduated from IEP Aix en Provence.

Alexis Michel has been Senior Vice President of Container Logistics, Logistics SVP since 2007 and Reefer SVP since 2009. He has been with CGM IT and Logistics since 1988 and joined the Company's Container Department in 1997 as Container Flow Manager. Mr. Michel graduated as an engineer from Agro and has a Masters in Management from Arts et Métiers.

Corporate Governance

The Company is managed by a Board of Directors (*Conseil d'Administration*) and a General Manager (self-designated as "Chief Executive Officer" or "CEO" *Directeur Général*). Our Articles of Association direct that our Board of Directors consist of ten members, all of whom were most recently appointed on January 28, 2011. Each director is elected for a term of three-years, but may be dismissed at any time by a decision taken at the ordinary general meeting of shareholders. The Board of Directors elects a Chairman (*Président*) from among its members for a time period that may not exceed his office as a director, who is responsible for the proper functioning of the Board of Directors. Subject to any powers expressly allocated to the shareholders or as otherwise provided by the Articles of Association, the Board of Directors shall have full authority to determine the strategic direction of the Company and any actions in furtherance thereof.

The Board of Directors appoints a General Manager (who may be, and currently is, the same individual as the Chairman of the Board) for a three year term, and the General Manager is responsible for the general oversight and day-to-day management of the Company. Subject to the corporate object and any powers expressly reserved for the Board of Directors or shareholders in accordance with the Articles of Association, the Shareholders Agreement, or applicable law, the General Manager has full authority to act on behalf of and represent the Company. Upon the recommendation of the General Manager, the Board of Directors may appoint one, two or three Deputy General Manager(s) (self-designated as "Executive Officer(s)" or "EO(s)" *Directeur(s) Général Délégué(s)*) to assist the General Manager in the performance of his duties.

In connection with the Yildirim Investment, Yildirim Holding, Yildirim AM, Merit Corporation and the Company entered into a shareholders agreement, pursuant to which, as the holder of the A Preference Share, Yildirim is entitled to appoint three members to our Board of Directors. Furthermore, the Board of Directors must contain at least two independent members, provided, however, that, as agreed with the Company and Merit Corporation, Yildirim is not required to appoint an independent director for the first initial one-year term. In addition, certain strategic decisions enumerated in the Shareholders Agreement require, in addition to any requirements imposed by law and our governing documents, the vote of at least one of the directors appointed by Yildirim other than an independent director. Yildirim is entitled to such rights, subject to limited exceptions, until the earlier of (i) an initial public offering of our ordinary shares, (ii) the date on which Yildirim's direct or indirect interest in the Company falls below 10% on a fully diluted basis, (iii) an unauthorized change of control of Yildirim, or (iv) the date of conversion of our B Preferred Shares into ordinary shares in accordance with their terms (*i.e.*, December 31, 2017 in principle).

Compensation

The aggregate remuneration in the form of salaries, bonuses and other amounts we paid to the members of our Board of Directors, and to our other key management, was \$3.9 million in 2010. There are no options outstanding to purchase shares of the Company.

Share Ownership

Our share ownership as of January 27, 2011, was as follows:

<u>Name</u>	<u>Shares</u>
Farid T. Salem	111,983 ordinary shares
Jacques R. Saadé	62,832 ordinary shares
Naïla Saadé	18 ordinary shares
Rodolphe Saadé	18 ordinary shares
Tanya Saadé Zeenny	18 ordinary shares
Jacques Junior Saadé	18 ordinary shares
Tristan Vieljeux	1 ordinary share
Pierre Bellon	1 ordinary share
Merit Corporation ⁽¹⁾	10,400,467 ordinary shares
Yildrim Asset Management Holding BV	1 A Preferred Share

(1) Jacques R. Saadé and the members of his immediate family directly and indirectly through Merit Corporation beneficially own approximately 99% of our outstanding share capital. See “Principal Shareholders.”

RELATED PARTY TRANSACTIONS

French Legal Requirements

The French Commercial Code prohibits loans by a société anonyme to its General Manager or Deputy General Manager or to a member of its board of directors, nor may any société anonyme provide overdrafts to these individuals or guarantee their obligations. This prohibition also applies to permanent representatives of companies on the board of directors, spouses, ascendants and descendants of such persons and any third-party acting as an intermediary for a member.

The French Commercial Code and our by-laws require members of the board of directors, the General Manager or Deputy General Manager or shareholders holding more than 10% of the voting rights (or, in the event such shareholder is a company, its controlling shareholder) who are considering, either directly or indirectly, personally or through an intermediary, entering into an agreement with the company (other than one of the prohibited transactions mentioned in the previous paragraph and other than agreements contracted in the ordinary course of business under normal terms) to inform the company's board of directors before the transaction is consummated. French law also requires such an agreement to be authorized by the board of directors and the member in question may not vote on the issue. French law further requires such an agreement to be submitted to an ordinary general meeting for approval once entered into, upon presentation of a special report from the company's auditors who are informed of any interested third-party transaction by the chairman of the board of directors. Any agreement entered into in violation of the prior authorization of the board of directors may be voided by the commercial court at the request of the company or any shareholder, if such agreement has caused damages to the company. In addition, if such an agreement has been authorized by the board of directors but has not been submitted to or approved by the ordinary general meeting, the agreement may not be voided (except in the event of fraud) but the prejudicial consequences to the company of the agreement may be charged to the interested party and, potentially, to the other members of the board of directors.

Related Party Transactions

We engage in certain transactions with affiliated entities and affiliated companies. We believe that these transactions are conducted on terms substantially equivalent to those we would have negotiated on an arm's-length basis with third parties. Set below is a summary of these transactions since January 1, 2000:

- Jacques R. Saadé and his immediate family hold, directly or indirectly, approximately 99% of our shares.
- In 2011, we issued 2,644,590 ORA to Yildirim Asset Management Holding BV for \$500 million, pursuant to an investment agreement, dated November 25, 2010, among us, Merit Corporation and Yildirim Holding. The related shareholders agreement and shareholder pledge and guarantee are described under "Description of Certain Financing Arrangements—Yildirim Investment."
- On September 10, 2010, CdP and Merit Corporation S.A.L. entered into a \$31.75 million bridge loan agreement with respect to the purchase of the vessel Le Boréal.
- On January 19, 2010, we and Merit Corporation expressed our intention to respectively sell and purchase 18,737 shares in CdP, corresponding to 90% of its share capital, no later than on June 30, 2011. As part of our discussions with our creditors, it was agreed on the same day, that Merit Corporation would make a \$10 million subordinated advance on the purchase price of such shares, with interest accruing at a rate of 5% per annum. Pursuant to such agreement, the parties agreed the advance would be reimbursed on June 30, 2011, in the event the acquisition would not be completed by that date.
- In 2010, we entered into a container leasing contract for \$25.2 million with Investment and Financing Corp. Ltd., a subsidiary of Merit S.A.L.
- We formed a company called Global Ship Lease, Inc. ("GSL") and between 2007 and 2008 sold a fleet of 17 vessels to GSL for a total of \$1 billion, which we then chartered from GSL on a long-term basis. In 2008, GSL merged with a special purpose acquisition company and became listed on the New York Stock Exchange. We currently hold approximately 45% of the outstanding shares of GSL. In addition to the charter arrangements, we also currently manage GSL's fleet and receive management revenues in connection therewith.
- In 2005, we set up a non-profit foundation in order to promote certain cultural activities. This foundation is managed independently from us and in 2010 received an annual contribution amounting to \$1.5 million.

- In 2004, we reimbursed advances received from Tucana Co. and Albany Ltd., two affiliates of Merit S.A.L., for an amount of €1.8 million. The interest expense relating to these advances amounted to nil in 2004.
- In 2000, we entered into a sub-contracting agreement with Merit S.A.L., relating to the control of costs and receivables with respect to our operations in the Middle East. Under the terms of the agreement, Merit S.A.L. was retained to oversee port call accounts for all vessels relating to ports in the Mediterranean and the Black Seas. In return for the services provided, we agreed to reimburse the internal expenses incurred by Merit S.A.L. in the performance of such services, plus an additional 5% commission, pay Merit S.A.L. \$50 per port call account and reimburse payments made to external parties. The agreement is for an indefinite period. In addition, since 2004, Merit Corporation has provided outsourcing services regarding revenue control and internal audit support on our behalf. The total invoiced for these services in 2010 amounted to \$5.2 million.
- In 1997, Holding CMA CGM S.A., our former parent company, contracted a loan with Merit S.A.L. for an amount of €16.1 million. This loan was reimbursed during 2004, prior to the merger of Holding CMA CGM S.A. and CMA CGM.

PRINCIPAL SHAREHOLDERS

Jacques R. Saadé and the members of his immediate family directly and indirectly beneficially own approximately 99% of our share capital. See “Management—Share Ownership.”

On January 27, 2011, we consummated a transaction, pursuant to an investment agreement among us, Merit Corporation and Yildirim Holding, a company incorporated under the laws of Turkey, dated November 25, 2010 (the “Investment Agreement”), whereby Yildirim Asset Management Holding BV, a wholly owned subsidiary of Yildirim Holding (“Yildirim AM”, and together with Yildirim Holding, “Yildirim”) subscribed for 2,644,590 ORA for \$500 million (the “Yildirim Investment”). Merit Corporation may also require Yildirim to subscribe for, in one or two tranches, additional ORA for a maximum amount of \$250 million.

In addition, Yildirim AM was loaned one preferred share of the Company (the “A Preferred Share”) on January 27, 2011, which entitles Yildirim to certain governance rights as provided in that certain shareholders agreement, dated as of January 27, 2011, among us, Merit Corporation and Yildirim (the “Shareholders Agreement”), in connection with the closing of the Yildirim Investment. Under the Shareholders Agreement, Yildirim is entitled to appoint three members to our Board of Directors. Furthermore, certain strategic decisions enumerated in the Shareholders Agreement require the vote of at least one of the directors appointed by Yildirim other than an independent director. Yildirim is entitled to such rights, subject to limited exceptions, until the earlier of (i) an initial public offering of our ordinary shares, (ii) the date on which Yildirim’s direct or indirect interest in the Company falls below 10% on a fully diluted basis, (iii) an unauthorized change of control of Yildirim, or (iv) the date of conversion of our B Preferred Shares into ordinary shares in accordance with their terms (*i.e.*, December 31, 2017 in principle). For more information, see “Management—Corporate Governance.”

The Shareholders Agreement also provides for, among other things: (i) an option by the Company to repurchase the ORA in certain circumstances, (ii) certain restrictions on transfer, including a lock-up period until June 30, 2016 (subject to certain exit transactions), rights of first refusal and drag rights in favor of Merit Corporation, (iii) certain tag-along rights and rights of first offer in favor of Yildirim, (iv) certain mutual non-compete undertakings, (v) customary anti-dilution provisions, and (vi) obligations to periodically deliver financial information to the Board of Directors.

Subject to and in accordance with the terms of the Investment Agreement, the ORA will automatically convert into preference shares of the Company (the “B Preferred Shares”) on December 31, 2015, which will represent approximately 20% of the Company’s capital, or 30% in the event that the additional ORA for \$250 million are issued (assuming the Company maintains its current capital and no adjustments are required to the conversion rate). The B Preferred Shares will be vested with the same rights and obligations as our ordinary shares; provided, however, that the B Preferred Shares will be entitled to a priority dividend paid in euro in cash each fiscal year equal to 12% of the nominal value of each bond (or approximately \$22.6878 per each B Preferred Share). The payment of such priority dividend is guaranteed by Merit Corporation. Upon certain specified events and in any event no later than December 31, 2017 (subject to limited exceptions), the B Preferred Shares will automatically convert into ordinary shares.

For more information regarding the ORA, see “Description of Certain Financing Arrangements—Yildirim Investment.”

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of the terms and conditions of our principal financing arrangements, including the amendments made thereto in connection with the implementation of the Restructuring Principles. As summaries, these descriptions are necessarily incomplete, and do not purport to describe all of the applicable terms and conditions of such arrangements and of the Restructuring Principles. For the terms and conditions of the notes, see “Description of Notes”

Implementation of the Restructuring Principles

The global economic downturn, which led to a collapse of freight rates and transport volumes, caused a significant deterioration in our financial performance. As a result, we breached certain financial covenants and eventually incurred payment defaults under substantially all financing arrangements entered into by us and our subsidiaries. This in turn caused additional cross-defaults and, though no lenders exercised this right, permitted certain lenders to accelerate payments with respect to our outstanding debt. To cope with these events, we, among other things, established a steering committee of our main creditors to facilitate discussions and negotiations regarding amendments to instruments governing our financial indebtedness and waivers of any defaults thereunder. On January 12, 2011, the steering committee agreed to a set of restructuring principles and guidelines (the “Restructuring Principles”). We retained StormHarbour Securities LLP to advise and assist us in the implementation of the Restructuring Principles. Subject to the Escrow Release Conditions Precedent, we have completed the amendment of all our principal financing arrangements (other than our existing Senior Notes due 2013 and our existing Senior Notes due 2012) to reflect the terms and conditions set forth in the Restructuring Principles. The key terms and conditions of the Restructuring Principles, which are common to each amendment, are summarized below.

Cash Flow Sweep Mechanism

We implemented a cash flow sweep mechanism (the “Cash Flow Sweep Mechanism”) pursuant to which we agreed to an additional mandatory prepayment of the relevant affected facilities in an amount determined by reference to our net leverage ratio. The aggregate amount to be so repaid is equal to the percentage set out in column (2) below at any Testing Date which corresponds to our net leverage ratio set out in Column (1) at such Testing Date of the portion of our Group Cash Position in excess of \$800 million.

(Column 1) If the net leverage ratio is on a Testing Date is:		(Column 2)
Greater than or equal to	Lower than	
4.00x		100%
3.50x	4.00x	75%
3.00x	3.50x	50%
2.50x	3.00x	25%
	2.50x (or corporate investment grade rating for CMA CGM by at least two rating agencies to be selected among Fitch, Moody’s and S&P)	0%

where:

- “Group Cash Position” is defined, for each Testing Date, as the average of (A) the unrestricted cash and cash equivalents at the relevant Testing Date and (B) the unrestricted cash and cash equivalents at the calendar month end date immediately preceding the relevant Testing Date;
- “Testing Date” is defined as June 30 and December 31 in each calendar year, the first Testing Date being June 30, 2011 and the last Testing Date being December 31, 2015.

Any such payments under the Cash Flow Sweep Mechanism will be allocated among our creditors under the affected facilities as follows: (A) first and in an aggregate cumulative amount of no more than \$100 million to our unsecured creditors (with priority given to creditors under bilateral restructured facilities) and (B) thereafter, 50% towards prepayment of our unsecured restructured facilities and 50% towards prepayment of our secured restructured facilities, in each case on a *pro rata* and *pari passu* basis among such unsecured restructured facilities and among such secured restructured facilities.

In addition, we agreed to certain restrictions in terms of making or permitting the making by other companies of the CMA CGM group of any payment, prepayment or repayment of or under certain facilities which could reduce the amount payable under the Cash Flow Sweep Mechanism or which would otherwise circumvent the allocation of payments set out above.

Financial Covenants

We amended certain financial covenants with a view to harmonizing such covenants across the restructured facilities as follows:

Net leverage and coverage ratios

	<u>Net leverage ratio</u>	<u>Coverage ratio</u>
June 30, 2011	Equal to or below 4.75x	Above 2.50x
December 31, 2011	Equal to or below 4.75x	Above 2.50x
June 30, 2012	Equal to or below 4.00x	Above 3.00x
December 31, 2012	Equal to or below 3.50x	Above 3.25x
From June 30, 2013	Equal to or below 3.25x	Above 3.25x

Capital expenditures and long-term chartering costs amounts

<i>(in \$ million)</i>	<u>Capital expenditures</u>	<u>Long-term chartering</u>
From January 1, 2011 to December 31, 2011	Below \$1,365	Below \$1,700
From January 1, 2012 to December 31, 2012	Below \$850	Below \$1,900
From January 1, 2013 to December 31, 2013	Below \$500 ⁽¹⁾	Below \$2,500 ⁽⁴⁾
From January 1, 2014 to December 31, 2014	Below \$900 ⁽²⁾	Below \$3,000 ⁽⁵⁾
From January 1, 2015 to December 31, 2015	Below \$1,000 ⁽³⁾	Below \$3,200 ⁽⁶⁾

- (1) Such amount will be increased to \$800 million upon the issuance of the notes offered hereby and allocation of a portion of the proceeds thereof equal or greater to U.S.\$350 million towards a partial repayment and cancellation of the Revolving Credit Facility.
- (2) Such amount will be increased to \$1.5 billion in the event (A) all amounts under certain unsecured restructured facilities, our existing Senior Notes due 2013 and our existing Senior Notes due 2012 have been repaid in full and (B) the net leverage ratio on any two consecutive Testing Dates commencing on December 31, 2012 is below 2.50x.
- (3) No restrictions will be applicable in the event (A) all amounts under certain unsecured restructured facilities, our existing Senior Notes due 2013 and our existing Senior Notes due 2012 have been repaid in full and (B) the net leverage ratio on any two consecutive Testing Dates commencing on December 31, 2012 is below 2.50x.
- (4) Such amount will be increased to \$3 billion upon the issuance of the notes offered hereby in the event a portion of the proceeds thereof equal or greater to U.S.\$350 million is used towards a partial repayment and cancellation of the Revolving Credit Facility.
- (5) Such amount will be increased to \$3,500 million in the event (A) all amounts under certain unsecured restructured facilities, our existing Senior Notes due 2013 and our existing Senior Notes due 2012 have been repaid in full and (B) the net leverage ratio on any two consecutive Testing Dates commencing on December 31, 2012 is below 2.50x.
- (6) No restrictions will be applicable in the event (A) all amounts under certain unsecured restructured facilities, our existing Senior Notes due 2013 and our existing Senior Notes due 2012 have been repaid in full and (B) the net leverage ratio on any two consecutive Testing Dates commencing on December 31, 2012 is below 2.50x.

We also agreed to ensure that our unrestricted cash and cash equivalents are no less than \$400 million as at March 31, June 30, September 30 and December 31 in each calendar year.

The foregoing summary above only reflects the financial covenants which we have agreed to in connection with the implementation of the Restructuring Principles and does not include any other customary covenant set out in our financing arrangements, including in particular LTV requirements entered into in connection with vessels' financing. However, the Restructuring Principles require that, with respect to LTV requirements, we provide cash collateral under certain vessels' financing so as to provide security for the lenders thereunder. Such cash collateral for an amount of \$51.8 million was granted on or before April 4, 2011.

Specific Undertakings

We also agreed under the terms of the amendments to our principal financing arrangements (other than our existing Senior Notes due 2013 and our existing Senior Notes due 2012), as part of the implementation of the Restructuring Principles, to specific undertakings.

Undertakings in relation to the Yildirim Investment

We agreed to specific restrictions to the repayment of any sum under the guarantee by Merit Corporation in connection with the Yildirim Investment so that any right of Merit Corporation to reimbursement, subrogation or indemnity from us or our assets in respect of any such payment will be subordinated to the repayment in full of such facilities which were amended as part of the Restructuring Principles. However, we are permitted to make any such payment provided that no event of default related to a payment default, an insolvency event or a breach of such financial covenants set out in the Restructuring Principles is occurring at the time under any such restructured facility and provided further that, taking into account such payment, our unrestricted cash and cash equivalents are no less than \$400 million.

We also agreed, notwithstanding any option to repurchase the ORA (in whole or in part) granted to us, not to exercise any such repurchase option or repurchase all or part of the ORA at any time prior to January 1, 2016 and thereafter only if, on a pro forma basis, following the exercise of any such repurchase option and repurchase: (A) the net leverage ratio is lower than or equal to 2.25x and (B) our unrestricted cash and cash equivalents are no less than \$800 million.

We may not amend the terms and conditions of the ORA relating to ranking, subordination, interest rate and payment, repurchase, redemption, security, preference shares or any other term or condition of the ORA which might prejudice or adversely affect the rights or remedies of the creditors whose debt ranks senior to the ORA.

Undertakings in relation to the disposal of Malta Freeport

We agreed that our subsidiary Terminal Links will dispose of 49% of its 100% interest in Malta Freeport Terminal Ltd. by no later than June 30, 2011. Unless the offering contemplated hereby is completed and the Senior Notes due 2012 and Senior Notes due 2013 are refinanced in their entirety prior to June 30, 2011, failure to comply with such undertaking would constitute an event of default or termination event (without any grace period) under all facilities amended in connection with the Restructuring Principles. In addition, any such failure to comply with this undertaking would also trigger an increase in the margin applicable to existing and future drawings under each of such restructured facilities of 0.30% per annum on June 30, 2011 stepping up to 0.60% per annum if such disposal of Malta Freeport Terminal Ltd. has not been completed by October 1, 2011 (which margin increase(s) will continue until such time as the disposal of Malta Freeport Terminal Ltd. is completed).

Undertakings in relation to the disposal of CdP

We agreed to dispose of 51% of our 90% interest in CdP by no later than June 30, 2011 free from any on-going actual or contingent obligation, cash-outflow or liability from ourselves or any member of our group to CdP or any third-party (other than in accordance with indemnities customary for this type of transaction). Unless the offering contemplated hereby is completed and the Senior Notes due 2012 and Senior Notes due 2013 are refinanced in their entirety prior to June 30, 2011, failure to comply with such undertaking would constitute an event of default or termination event (without any grace period) under all facilities amended in connection with the Restructuring Principles. In addition, any such failure to comply with this undertaking would also trigger an immediate increase in the margin applicable to existing and future drawings under each of such restructured facilities of 0.30% per annum on June 30, 2011 stepping up to 0.60% per annum if such disposal of CdP has not been completed by October 1, 2011 (which margin increase(s) will continue until such time as the disposal of CdP is completed), subject in any event to an aggregate cap of 0.85% per annum in the event such margin increase and the margin increase in relation to the failure to dispose of Malta Freeport Terminal Ltd. set out above have both been triggered. The time period for completing such disposal of CdP will also be extended to December 31, 2011 in certain limited circumstances.

We also agreed not to incur any additional actual or contingent obligation, cash-out flow or liability relating to CdP until implementation of the disposal of CdP, except as we or any member of our group may incur in the ordinary course of business subject to a maximum aggregate cap of €7 million.

Undertakings in relation to the CdP Financing

We agreed to enter into full loan documentation in relation to the CdP Financing for the Austral and Boreal cruise ships by no later than June 30, 2011 on a non-recourse basis with a loan-to-value ratio in line with the then-current market practice. Failure to comply with such undertaking would constitute an event of default or termination event (without any grace period) under all facilities amended in connection with the Restructuring Principles.

Limitations on distributions

We also agreed to specific restrictions to be made in terms of declaring or making any payment of dividends, management fees, shareholder loans (including any shareholder loan made available by Merit Corporation), return of capital or any similar or equivalent distribution.

Notwithstanding such restrictions, we will be permitted to make semi-annual cash interest coupon payments in an annual aggregate amount of no more than 12% per annum in relation to the Yildirim Investment provided that we have available cash to make such payment and all other payments falling due on such payment date and that no event of default related to a payment default, an insolvency event or a breach of such financial covenants set out in the Restructuring Principles is occurring under any facility amended in connection with the Restructuring Principles at the time of any such payment.

Hedging

We agreed for a period of no less than five years from effective completion of the restructuring to hedge (by interest rate swaps, caps or tunnels) our floating interest rate exposure in respect of around 50% of our aggregate financial indebtedness. We also agreed not to enter into any speculative interest rate, commodity or currency hedging or derivative transactions with limited exceptions for certain re-hedging arrangements in respect of outstanding over hedged exposure.

Undertakings in relation to financial information

We agreed to provide regular and comprehensive financial information to our creditors under the facilities amended as part of the implementation of the Restructuring Principles, including a 13 week liquidity/treasury forecast on a monthly basis, our annual budget prior to end of February of each year, details on progress to cancel non-financial vessels and reasonable access to information and key personnel on request.

New Events of Default

We agreed to new events of default under the facilities which were amended as part of the Restructuring Principles, including in relation to the occurrence of a material breach by the Company of the Shareholders Agreement or certain other events in relation to the ORA.

Consideration

In addition to the foregoing, to induce our financial creditors to enter into amendments to our financing arrangements and to waive certain defaults or events of default which occurred thereunder, including in particular payment defaults, breach of financial covenants, and insolvency proceedings, we also agreed to amend the pricing terms and conditions under our financing arrangements and to pay specific consent fees to our financial creditors. Subject to the Escrow Release Conditions Precedent, all such amendments and waivers were obtained on or before April 8, 2011.

Vessel Financing Securitization

In 2006 we entered into shipbuilding contracts to purchase twelve 1,713 TEU, 4,367 TEU and 5,095 TEU family container vessels, which were delivered between February 2007 and September 2008. To finance the acquisition of the vessels, we entered into a securitization transaction (the "Vessel Financing Securitization") in February 2006.

Immediately prior to the delivery of each vessel, we assigned each related shipbuilding contract to an Irish incorporated special purpose company (each an "Owner"). Upon delivery of each vessel to the relevant Owner, that Owner leased us the vessel pursuant to a charterparty agreement (each a "Charterparty Agreement") in relation to that vessel. The acquisition of the vessels by the Owners was funded by drawings under facilities made available by Vega Container Vessel 2006-1 Public Limited Company (the "Securitization Issuer"), a special purpose company incorporated for the purpose of this financing, pursuant to facilities agreements (each an "Issuer/Owner Facility Agreement") between, among others, the Securitization Issuer and each Owner.

The Securitization Issuer funded its obligations under each Issuer/Owner Facility Agreement using (i) the proceeds from the issuance of \$253.75 million 5.562% Class A Corporate Asset Backed Secured Notes due 2021 (the "Class A Notes") by the Securitization Issuer, (ii) term advances on each vessel delivery date pursuant to a

\$245.02 million credit facility bearing interest at a fixed rate of 6.4543% per annum (the “Class B Loan”) provided by certain financial institutions experienced in the international ship finance market (the “Class B Lenders”), and (iii) the proceeds from the issuance of \$283.28 million 15% Class C Corporate Asset Backed Secured Notes due 2021 (the “Class C Notes”) by the Securitization Issuer on each vessel delivery date, which were subscribed for by us. The Class A Notes have the benefit of a financial guarantee (the “Financial Guarantee”) from Syncora Guarantee (UK) Limited.

The obligations of the Securitization Issuer in respect of the Class C Notes rank behind the obligations of the Securitization Issuer in respect of the Class A Notes, the Financial Guarantee and the Class B Loan. The payment priorities governing payments of principal, interest and other amounts due in respect of the Class A Notes, the Financial Guarantee, the Class B Loan and the Class C Notes are set out in an issuer security deed that was entered into by certain of the vessel financing transaction parties in February 2006. Our security interests in respect of the Class C Notes are also subordinated to those of certain other secured creditors, including the holders of the Class A Notes and the Class B Lenders.

The Securitization Issuer and each Owner have assigned their respective rights, title, interest and benefit in, to and under the transaction documents to which they are party, and granted security over certain of their assets (including, in the case of the Issuer, any transaction accounts) in favor of BNP Paribas Trust Corporation UK Limited, for itself and as trustee for the secured creditors (the “Securitization Trustee”). In addition, each Owner granted a ship mortgage in favor of the Securitization Trustee, for itself and as trustee for the secured creditors.

We have also entered into security agreements with each Owner, pursuant to which we assigned all our rights, title, interest and benefit in, to and under certain insurance policies, shipbuilder warranties and our right to sub-charter vessels, as security for our obligations under the transaction documents.

Upon the occurrence of certain defaults under each Charterparty Agreement, the chartering of the relevant vessel terminates automatically and we, as charterer, are required to make a termination payment. In relation to other defaults, the Class A Notes, the Class B Loan and the Class C Notes become immediately due and payable, and the transaction security enforceable, upon the delivery of an enforcement notice by the Trustee.

Upon the occurrence of certain unscheduled prepayment events, including the total loss of a vessel or the termination of any Charterparty Agreement, amounts owed to the Securitization Issuer by each Owner pursuant to each Issuer/Owner Facility Agreement become immediately due and payable. In these circumstances the Securitization Issuer is required to apply amounts received by it towards redeeming, or prepaying, as applicable, a portion of the Class A Notes, the Class B Loan and the Class C Notes, in accordance with the Payment Priorities.

The Vessel Financing Securitization was amended in accordance with the Restructuring Principles on April 4, 2011.

As of December 31, 2010, the aggregate amount of our obligations outstanding under the Vessel Financing Securitization was \$357.6 million.

Senior Notes due 2013

As of December 31, 2010, we had \$143.5 million principal amount of Senior Notes due 2013 outstanding. The Senior Notes due 2013, issued in February 2005, mature on February 1, 2013, and interest is payable semi-annually on February 1 and August 1 of each year. The Senior Notes due 2013 are redeemable at our option, in whole or in part, at any time on or after February 1, 2009 at a redemption price equal to the principal amount of the Senior Notes due 2013 plus the applicable redemption premium. The indenture governing the Senior Notes due 2013 contains certain covenants with respect to, among others, limitations on the ability to incur additional debt, pay dividends, make distributions on or repurchase shares, make certain investments, issue or sell capital stock of restricted subsidiaries, enter into transactions with affiliates, create liens on assets to secure debt, sell assets, enter into sale and leaseback transactions and merge or consolidate with or into another company.

Pursuant to a consent solicitation statement dated December 16, 2009, we obtained consent from holders of Senior Notes due 2013 representing at least a majority of the aggregate principal amount of outstanding Senior Notes due 2013 to waive certain defaults and events of default in relation to the filing of conciliation proceedings (as further described in “Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Our Turnaround”) and debt incurred in violation of the limitations set out in the indenture

governing our Senior Notes due 2013, as well as to amend the indenture governing our Senior Notes due 2013 in relation *inter alia* to debt to be incurred to finance the delivery of new vessels. A supplemental indenture to the indenture governing our Senior Notes due 2013 was entered into on December 22, 2009.

We intend to use a portion of the proceeds of this offering to refinance all our Senior Notes due 2013. For further information, see “Use of Proceeds.”

Senior Notes due 2012

As of December 31, 2010, we had €268.4 million (or \$358.7 million) principal amount of Senior Notes due 2012 outstanding. The Senior Notes due 2012, issued in June 2007, mature on May 16, 2012, and interest is payable semi-annually on May 16 and November 16 of each year. The Senior Notes due 2012 are redeemable at our option, in whole or in part, at any time prior to maturity at a redemption price equal to the principal amount of the Senior Notes due 2012 plus the applicable redemption premium. The indenture governing the Senior Notes due 2012 contains certain covenants with respect to, among others, limitations on our ability to incur additional debt, create liens on assets to secure debt and merge or consolidate with or into another company.

Pursuant to a consent solicitation statement dated December 16, 2009, we obtained consent from holders of Senior Notes due 2012 representing at least a majority of the aggregate principal amount of outstanding Senior Notes due 2012 to waive certain defaults and events of default in relation to the filing of conciliation proceedings (as further described in “Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Our Turnaround”) and debt incurred in violation of the limitations set out in the indenture governing our Senior Notes due 2012, as well as to amend the indenture governing our Senior Notes due 2012 in relation *inter alia* to debt to be incurred to finance the delivery of new vessels. A supplemental indenture to the indenture governing our Senior Notes due 2012 was entered into on December 22, 2009.

We intend to use a portion of the proceeds of this offering to refinance all our Senior Notes due 2012. For further information, see “Use of Proceeds.”

Acquisition Financings

Revolving Credit Facility

To finance the acquisition of Delmas, we entered into a renewable multi-currency unsecured €500 million term credit facility with a syndicate of banks on February 3, 2006 (the “Revolving Credit Facility”). The Revolving Credit Facility was initially valid for five years and was extended for an additional period of two years for a maximum amount of €450 million as from February 3, 2011 and €431 million as from February 3, 2012. We applied amounts borrowed under the Revolving Credit Facility for the acquisition of Delmas and for general corporate purposes.

The funds are available upon our request. We may select a loan in either U.S. dollars or euros, as well as the interest period, which may be one, three or six months, or any other period we may agree with lenders. Loans under the Revolving Credit Facility incur interest at a rate of EURIBOR plus a margin of 3% for loans in euros and LIBOR plus a margin of 3% for loans in U.S. dollars, plus administrative costs to compensate the lenders for the cost of complying with the requirements of the Bank of England and the European Central Bank.

We may cancel the whole or any part of the Revolving Credit Facility, and we may prepay the whole or any part of any loan under certain conditions. We are required to prepay and cancel part of the Revolving Credit Facility pursuant to the Cash Flow Sweep Mechanism. We may not re-borrow any part of the Revolving Credit Facility that has been prepaid and cancelled.

In connection with the Revolving Credit Facility, we make certain representations, including a representation that no event of default has occurred and we know of no events or circumstances that constitute a default or might have a material adverse effect. In addition, we are subject to several reporting and financial covenants. Subject to certain limitations, we have agreed not to create or permit to subsist any security over any of our assets, and agreed to other restrictive undertakings.

In addition to customary events of default, the Revolving Credit Facility contains cross-default provisions and acceleration provisions. Among others, the event of a change of control or a material adverse change may be considered as events of default.

The Revolving Credit Facility was amended in accordance with the Restructuring Principles on March 10, 2011. As of December 31, 2010, the aggregate amount of our obligations outstanding under the Revolving Credit Facility was €500 million (or \$668.1 million).

Tax Lease Vessel Financing

We and several of our subsidiaries have agreed to lease ships pursuant to agreements that have been put in place as part of financing structures designed to take advantage of certain benefits under the tax laws of the United Kingdom or France. These benefits are granted to the lessor of the ships in question but are also in part passed on to us and our subsidiaries that are parties to the relevant lease agreements in the form of reduced lease rentals and, in some instances, reduced purchase price options.

U.K. Tax Lease Financing

Under typical U.K. tax lease financing, our U.K.-based subsidiary enters into a lease agreement for each vessel with a lessor, which owns such vessels in trust for limited partnership formed by an investor and a sponsor. The terms of these agreements typically are for a 20-year period, although these agreements may, and are in many cases expected to, be terminated earlier upon the exercise of a put-call option.

The lease agreements contain customary representations and warranties related to the transaction. Our U.K. subsidiary agrees to indemnify the lessor for certain taxes and expenses and for the non-payment of certain liabilities related to the transaction. Our U.K. subsidiary also agrees not to grant any liens and encumbrances over the vessel, provides undertakings as to the use and employment of the vessel and agrees not to merge or consolidate with another party without the lessor's prior written consent.

We currently lease seven vessels under five different U.K. tax lease arrangements which were amended in accordance with the Restructuring Principles on or before April 4, 2011. As of December 31, 2010, the aggregate amount of our obligations outstanding under these arrangements was \$207 million.

French Tax Lease Financing

Under typical French tax lease financing, we or our wholly owned subsidiary enters into a lease agreement with a special purpose vehicle which is owned by a syndicate of investors. The special purpose vehicles enter into credit facilities with a syndicate of banks to finance purchase of the vessels. The terms of these lease agreements generally provide for the lease of the vessels for eight to ten years, although they may, and in some cases are expected to, be terminated a few years earlier pursuant to a put-call arrangement.

A component of the payments in respect to such leases is variable and approximates the floating interest rate applicable to amounts owed by the subsidiary under the related credit facilities. We enter into a swap to hedge against our exposure to the variable component of such lease payments. We generally make customary representations and are subject to customary covenants under the lease agreements.

In addition to the lease arrangements under “—Other Significant Ship Financings—Financing of three 8,465-TEU vessels, two 13,880-TEU vessels and one 16,000-TEU vessel” and “—Financing of two 8,465-TEU vessels and two 16,000-TEU vessels” below, we currently lease 16 vessels under different French tax lease arrangements which have been amended in accordance with the Restructuring Principles on or before April 4, 2011. As of December 31, 2010, the aggregate amount of our obligations outstanding under these arrangements was \$784.7 million.

Other Significant Ship Financings

Financing of three 11,388-TEU and five 11,356-TEU vessels

In 2006, we ordered and committed to purchase three 11,388-TEU and five 11,356-TEU vessels to be delivered in 2009 and 2010. To finance the purchase of these eight vessels, we entered into a \$1,113 million term loan mortgage facility with a consortium of banks led by Sumitomo Mitsui Banking Corporation in June 2007. We act as guarantor of eight wholly owned subsidiaries which have been set up to purchase each of such eight vessels.

Three 11,388-TEU vessels were delivered in 2009 and 2010, two 11,356-TEU vessels have been delivered in 2011 thus far and three 11,356-TEU vessels will be delivered prior to June 30, 2011.

This facility was amended in accordance with the Restructuring Principles on March 7, 2011, which amendment included a reduction in the overall commitment of the lenders thereunder to a maximum of \$733 million and revised the amortization profile to a 12-year full payout profile (*i.e.*, the full amount will be paid gradually over the full term of the loan) as from September 18, 2011.

Loans under the facility incur interest at a rate of LIBOR plus a margin of (i) 2.15% with respect to the two vessels delivered in 2009 and the pre-delivery tranche for the vessel delivered in 2010, (ii) 3.50% with respect to the delivery tranche relating to the vessel delivered in 2010 and (iii) 4% with respect to the five vessels to be delivered in 2011, plus administrative cost to compensate the lender for the cost of complying with relevant regulatory authorities. The margin applicable in relation to the five vessels to be delivered in 2011 may, as from the later of March 7, 2012 and the date on which the audited annual statements for the fiscal year ending on December 31, 2011 are available, decrease by 50 basis points to 125 basis points based on our rating.

We may prepay the whole or any part of any tranche under certain conditions. Prepayment of a relevant portion of the facility becomes mandatory if any vessel is sold or becomes a total loss, in the case of cancellation of a shipbuilding contract, in the event of breach of certain covenants, or pursuant to the Cash Flow Sweep Mechanism.

We make customary representations under this facility. We are also subject to several customary reporting and financial covenants. Events of default include failure to make payment timely, cancellation of a shipbuilding contract, failure to insure a vessel, cross default, change of control and breach of financial covenants.

As of December 31, 2010, the amount of our obligations outstanding under this facility was \$445.6 million.

Part of the financing of the vessel delivered in 2010 and of the five vessels to be delivered in 2011 is also supplied by, or to be supplied by, vendor loans granted by Hyundai Heavy Industries Co., Ltd. as the shipyard that built such vessels. Such vendor loans are for a principal amount of \$10 million per vessel, bear interest at a rate of 7.5% per annum and mature on the third anniversary of delivery of each vessel to which they relate. We made customary representations under such vendor loans and they provide for customary events of default.

Financing of four 11,388-TEU vessels

In 2005, we ordered and committed to purchase four 11,388-TEU vessels to be delivered in 2009. To finance the purchase of these four vessels, we entered into a \$547.8 million secured credit facility with a consortium of banks led by BNP Paribas in September 2007. We act as guarantor of four wholly-owned subsidiaries which were set up to purchase each of such four vessels. Three vessels were delivered in 2010 and one vessel will be delivered in 2011.

This facility was first amended on July 20, 2010 in connection with the delivery of the first three vessels. For purposes thereof, each of our four wholly-owned subsidiaries filed “conciliation proceedings” before the commercial court of Marseilles, France. This facility was further amended in accordance with the Restructuring Principles on March 24, 2011, which amendment included a reduction in the overall commitment of the lenders thereunder to a maximum of \$311 million.

The amortizing profile is based on a half-yearly principal constant amortization full-pay out with 36 half-yearly installments with a tenor of 12 years from delivery. Loans under the facility incur interest at a rate of LIBOR plus a margin of 3.50%, plus administrative cost to compensate the lender for the cost of complying with relevant regulatory authorities.

We may prepay the whole or any part of any tranche under certain conditions. Prepayment of a relevant portion of the facility becomes mandatory if any vessel is sold or becomes a total loss, in the case of cancellation of a shipbuilding contract, in the event of breach of certain covenants, or pursuant to the Cash Flow Sweep Mechanism.

We make customary representations under this facility. We are also subject to several customary reporting and financial covenants. Events of default include failure to make timely payment, cancellation of a shipbuilding contract, failure to insure a vessel, cross default, change of control and breach of financial covenants.

As of December 31, 2010, the amount of our obligations outstanding under this facility was \$295.4 million.

Part of the financing of the three vessels delivered in 2010 and of the vessel to be delivered in 2011 is supplied by vendor loans granted by Hyundai Heavy Industries Co., Ltd. as the shipyard that built such vessels. Such vendor loans are for a principal amount of \$10 million per vessel, bear interest at a rate of 7.5% per annum and mature on the third anniversary of delivery of each vessel to which they relate. We make customary representations under such vendor loans and they provide for customary events of default.

Refinancing for eleven vessels

In 2006, we entered into a secured \$150 million facility agreement with a consortium of lenders led by DBV Bank to refinance eleven vessels of various sizes. This facility was amended in accordance with the Restructuring Principles on March 11, 2011.

The facility consists of a junior tranche of up to \$37.5 million and a senior tranche of up to \$112.5 million. The repayment schedule with respect to part of the facility relating to each vessel is based on the age of the vessel, with the maturity relating to newer vessels being February 2016. Loans under the facility incur interest at a rate of LIBOR plus a margin of 2.45% for the senior tranche and 3.25% for the junior tranche.

We may prepay the whole or any part of any loan with a prepayment fee of 0.5% of the amount prepaid, subject to certain conditions. Prepayment of part of the facility becomes mandatory pursuant to the Cash Flow Sweep Mechanism. We may not re-borrow any part of the facility that has been prepaid.

We make customary representations under this facility, including a representation that no event of default has occurred and we know of no event or circumstances that constitutes a default or might have a material adverse effect. In addition, we are subject to several reporting and financial covenants. In addition to customary events of default, the facility contains cross-default provisions and acceleration provisions.

As of December 31, 2010, the aggregate amount of our obligations outstanding under this facility was \$23.1 million.

Financing of three 8,465-TEU vessels, two 13,880-TEU vessels and one 16,000-TEU vessel (the “Remaining Financing”)

In 2007, we ordered and committed to purchase three 8,500-TEU vessels and three 13,880-TEU vessels to be delivered as from 2010. The shipbuilding agreement in relation to the three 13,880-TEU vessels has since been amended to provide for its jumboisation to a 16,000-TEU vessel to be delivered in 2012. To finance the purchase of these six vessels, we entered into French tax lease arrangements with special purpose vehicles to be financed by a consortium of banks led by Société Générale in July 2008. Three vessels were delivered in 2010, one vessel has been delivered in 2011, one vessel will be delivered in 2011 and the last vessel will be delivered in 2012.

The relevant lease arrangements were amended in relation to the delivery of each of the three vessels delivered in 2010. We completed amendments for four vessels on or before April 8. The amendments regarding the remaining two vessel financings have been entered into on April 8, 2011 but will only become effective upon satisfaction of certain conditions precedent. Completion of such amendments is one of the Escrow Release Conditions Precedent. Until such amendments are completed, we remain in default under the lease arrangements.

We make customary representations under such lease arrangements. We are also subject to several customary reporting and financial covenants. Events of default include failure to make timely payment, cancellation of a shipbuilding contract, failure to insure a vessel, cross default, change of control and breach of financial covenants.

As of December 31, 2010, the amount of our obligations outstanding under such lease arrangements was \$142.6 million.

Part of the financing of the three vessels delivered in 2010 and of the vessel to be delivered in 2012 is supplied by vendor loans granted by the relevant shipyard that built such vessels. Such vendor loans are for a principal amount between \$14 million and \$16 million and per vessel, bear interest at a rate of 6.0% or 7.5% per annum, as the case may be, and mature on the third anniversary of delivery of each vessel to which they relate. We make customary representations under such vendor loans and they provide for customary events of default.

Financing of two 8,465-TEU vessels and two 16,000-TEU vessels

In 2007, we ordered and committed to purchase two 8,465-TEU vessels and two 13,880-TEU vessels to be delivered as from 2010. The shipbuilding agreements in relation to the two 13,880-TEU vessels have since been amended to provide for their jumboisation to 16,000-TEU vessels to be delivered in 2012. One of the 8,465-TEU vessel, has already been delivered to us in 2011 and was financed directly by us.

We entered a signed term sheet with a consortium of banks led by BNP Paribas dated March 28, 2011 to provide for the financing, or refinancing, of the purchase of these four vessels by way of French tax lease arrangements and entered into definitive documentation for one 8,465-TEU vessel on April 12, 2011.

Subject to any remaining definitive documentation to be entered into and other customary conditions, the relevant lease agreements will include the provisions of the Restructuring Principles. We will make customary representations under such lease arrangements and be subject to several customary reporting and financial covenants. Events of default will include failure to make timely payment, cancellation of a shipbuilding contract, failure to insure a vessel, cross default, change of control and breach of financial covenants.

Others

In addition, we are obligated under other loans or guarantees of other lease obligations used to finance the acquisition of vessels. As of December 31, 2010, the aggregate amount of our outstanding obligations under such arrangements was \$180.1 million.

Securitization of Receivables

In December 2008, we, as centralizing agent, and our wholly owned subsidiaries CMA CGM Antilles-Guyane, Delmas and MacAndrews (together with us, the “Securitization Sellers”) entered into a framework agreement with several financial institutions. Under this agreement, certain receivables of the Securitization Sellers, based on their currency in predefined jurisdictions, have been securitized up to an amount of €130 million, which amount can be increased up to €20 million subject to satisfaction of certain conditions and further agreement by the parties. In October 2010, the securitization financing level was increased and the amount outstanding as of December 31, 2010 was €2300 million (or \$307.3 million).

Under the securitization program, the receivables are being assigned to a compartment of a securitization mutual fund (the “Compartment”) managed by *Gestion et Titrisation Internationales*. The Securitization Sellers, acting themselves or through eligible agents, remain responsible for the collection of the receivables on behalf of the Compartment.

Subject to certain maximum and minimum amounts, we pay commissions amounting to an effective global annual rate of interest of Euribor plus 1% per annum. The securitization program is guaranteed by two first demand guarantees issued by *Credit Industriel et Commercial* for the benefit of the Compartment. The securitization program will end and the Compartment will be liquidated on the earliest of (i) the day on which the last assigned receivable is either extinguished, waived or assigned or (ii) September 17, 2014.

We make representations and warranties, as well as informational and other undertakings customary for a transaction of this nature, including not to carry on our business in a manner that would prejudice the quality of our receivables or the ability to collect our receivables.

The securitization agreements were amended on February 1, 2011. However, such amendments specified that the securitization program was not subject to the Restructuring Principles.

We may pursue an increase of the aggregate principal amount of securitizations of up to \$600 million in connection with our liquidity needs as part of the financing of new vessels to be delivered in the near term.

Back-up Facilities

We have entered into a number of credit agreements with financial institutions.

We make under these credit facilities customary representations and are subject to customary negative and positive covenants, including, for example, financial covenants. These credit facilities typically contain customary events of default, including cross-acceleration of certain other indebtedness and the occurrence of certain material adverse changes involving us. Certain of such facilities were amended in accordance with the Restructuring Principles on or before April 4, 2011.

We rely on these facilities as a cash reserve. As of December 31, 2010, we had withdrawn \$187.1 million under these facilities, in addition to the RCF facility mentioned hereabove.

Container Financing

Lease Financing

We have entered into a number of lease agreements to finance the acquisition of containers, arranged either by us or by our special purpose container leasing entities. We usually enter into up to 20 leases and typically have the option to purchase the containers at the end of the lease period for a nominal sum. We estimate that our obligations outstanding under such leases were \$248.7 million as of December 31, 2010.

Most of these leasing agreements contain representations and warranties, which are in each case customary for this type of transaction. In a few cases, we are also subject to customary informational and other covenants. We are typically liable to and indemnify the lessor for any damage to the containers during the period of the lease, and are responsible for the full value of the containers if they are declared a total loss. We are typically insured against such risks. These agreements are subject to customary events of default.

Secured Amortizing Credit Facility

On September 30, 2005 we entered into a financing arrangement with respect to the acquisition of standard and special containers with China International Marine Containers (Group) Co. Limited and CXIC Group Containers Co. Limited through a secured amortizing credit facility of up to \$184.8 million. We sold these dry cargo marine containers to Seabox Financement I SAS, a special purpose vehicle owned by investors. This acquisition was financed by a facility agreement entered into with a bank. In connection with this transaction, we entered into an eight year lease agreement with this special purpose entity. Under the put-call arrangements contained in the lease agreement, the special purpose vehicle is entitled to sell, and we are entitled to purchase, the remaining containers.

Senior Secured Loan Facility

To finance the acquisition of containers, we entered into a \$460 million term loan facility, increased to \$490 million on April 24, 2007 secured by containers, with a syndicate of banks on February 9, 2007. This facility was amended in accordance with the Restructuring Principles on March 16, 2011.

The facility consists of Facility A of up to \$150 million and Facility B of up to \$340 million. Under the facility agreement, the funds drawn must be used exclusively for the purchase of containers.

The amortizing profile is based on a half-yearly principal constant amortization with a maturity date in February 2017.

Loans under the facility incur interest at a rate of (a) the USD Commercial Interest Reference Rate plus a margin of 1.30% for loans under Facility A and (b) LIBOR, or an similar measure, plus a margin of 2.30% for loans under Facility B, and in both cases, plus administrative costs to compensate the lenders for the cost of complying with the requirements of the Bank of England and the European Central Bank.

We may cancel the whole or any part of the facility, and we may prepay the whole or any part of any loan under certain conditions. We may not re-borrow any part of the facility that has been prepaid and cancelled. Prepayment of part of the facility becomes mandatory pursuant to the Cash Flow Sweep Mechanism.

We make under this facility customary representations, including a representation that no event of default has occurred and we know of no events or circumstances that constitute a default or might have a material adverse effect. In addition, we are subject to several reporting and financial covenants.

As of December 31, 2010, the aggregate amount of our obligations outstanding under this facility was \$338.0 million.

Real Estate Financing

Real estate projects/tower

We relocated our headquarters to a newly constructed office building in 2011. In December 2006, we entered into a €200 million secured term facility with a consortium of banks to finance the construction of this building. We initially borrowed all monies thereunder. However, we substituted our subsidiary, SCI Tour d'Arenc, as borrower under this facility pursuant to a substitution agreement entered into on November 9, 2010. We are therefore released from our obligations under this financing to the extent SCI Tour d'Arenc does not become insolvent.

The amortizing profile is based on a quarterly principal constant amortization with a maturity date in December 2026.

The loans under the facility incur interest at a rate of LIBOR plus a margin of 0.8% to 1.0% (based on current S&P or Moody's rating of the borrower) for loans up to the Last Drawdown Date, and a rate of EURIBOR plus a margin of 0.8% to 1.0% (based on current S&P or Moody's rating of the borrower) thereafter, plus administrative costs.

We may cancel the whole or any part of the facility, and we may prepay the whole or any part of any loan under certain conditions. We may not re-borrow any part of the facility that has been prepaid and cancelled.

We make under this facility customary representations, including a representation that no event of default has occurred and we know of no event or circumstance that constitutes a default or might have a material adverse effect. In addition, we are subject to several reporting and financial covenants.

In addition to customary events of default, the facility contains cross-default provisions and acceleration provisions. Among others, a change of control or material adverse change may be considered an event of default.

As of December 31, 2010, the aggregate amount of our obligations outstanding under this facility was €200 million (or \$267.2 million).

Yildirim Investment

On January 27, 2011, we issued the ORA (representing 2,644,590 subordinated bonds), pursuant to an investment agreement, dated November 25, 2010 (the "Investment Agreement"), among us, Merit Corporation and Yildirim Holding, a company incorporated under the laws of Turkey, to Yildirim Asset Management Holding BV, a wholly owned subsidiary of Yildirim Holding ("Yildirim AM", and together with Yildirim Holding, "Yildirim"), for \$500 million (the "Yildirim Investment"). In accordance with the Investment Agreement, Merit Corporation may also require Yildirim to subscribe for, in one or two tranches, additional ORA for a maximum amount of \$250 million.

The ORA bear interest at a rate of 12% per annum, which interest is paid in cash semi-annually on June 30 and December 31 of each calendar year. The ORA and the related interest coupons are subordinated obligations of the Company, subordinated in right of payment to all our existing and future financial indebtedness, whether such financial indebtedness is secured, unsecured, subordinated or unsubordinated, and whether or not any such financial indebtedness is due and payable at the time. However, the ORA rank at least *pari passu* to the rights of all other existing or future equity securities of the Company.

On December 31, 2015, the ORA will automatically convert into newly issued preferred shares of the Company (the "B Preferred Shares") at a conversion rate of one B Preferred Share per one Yildirim Bond, subject to any applicable adjustments in accordance with Article L.228-99 of the French Commercial Code.

We have the option to buy from Yildirim all of the ORA outstanding prior to December 31, 2015, for either the nominal value of the ORA or fair market value of the ORA (in the latter case with a minimum equal to the product of 1.6 and the nominal value of the ORA) depending upon the circumstances as determined in accordance with the Shareholders Agreement, upon the occurrence of a change of control of Yildirim without our prior consent and the prior consent of Merit Corporation or upon an IPO Valuation (*i.e.*, an average of two valuations of the Company prepared by independent international banks established in France for each of Merit Corporation and Yildirim with a view to pursuing an initial public offering). Our ability to exercise this right to repurchase the ORAs is restricted under certain of our financing arrangements (see "—Implementation of the Restructuring Principles—Undertakings in relation to the Yildirim Investment"), including the Indenture for the Notes offered hereby (see "Description of Notes—Certain Covenants—Limitation on Restricted Payments").

We have not granted Yildirim any guarantee or security in connection with the issuance of the ORA. However, Merit Corporation, our principal shareholder, granted Yildirim the following as security: (i) a pledge of 1,057,837 of our ordinary shares (which, as of the date hereof, represents approximately 10% of our capital and voting rights), which expires on January 1, 2014 and is intended to secure up to \$150 million that may become due in connection with any accelerated repayment in cash of the ORA (as discussed below), and (ii) a joint guarantee (*cautionnement solidaire*) to secure the payment of the interest accrued on the ORA through June 30, 2013 or until December 31, 2012 if at least \$700 million is raised by us in the capital markets by December 31, 2011 and at least 50% of the proceeds thereof are used to repay and cancel the Revolving Credit Facility.

Yildirim may require us to reimburse the ORA for the principal amount plus any accrued and unpaid interest, subject to a limited right of set-off in connection with any indemnification obligations under the Investment Agreement in certain circumstances, in the event of (i) a material breach by us of the Shareholders Agreement (as defined below), which breach remains uncured for 30 business days following notice thereof, (ii) failure to pay any interest due on the ORA within 60 business days from the date such interest became due, which failure to pay remains uncured for 30 business days after notice thereof, or (iii) commencement of liquidation proceedings pursuant to Articles L.640-1 *et seq.* of the French Commercial Code. The terms and conditions of the ORA provide, for the benefit of the financial creditors of the Issuer including holders of the notes offered hereby, that the cash redemption constitutes a subordinated obligation of the Issuer and is subordinated in right of payment to all existing and future financial indebtedness of the Issuer, whether such financial indebtedness is secured, unsecured, subordinated or unsubordinated, and whether or not any such financial indebtedness is due and payable at the time.

In connection with the Investment Agreement, we, Yildirim and Merit Corporation entered into a shareholders agreement on January 27, 2011 (the “Shareholders Agreement”), which provides, among other things, for: (i) an option by the Company to repurchase the ORA in certain circumstances, (ii) certain restrictions on transfer, including a lock-up period until June 30, 2016 (subject to certain exit transactions), rights of first refusal and drag rights in favor of Merit Corporation, (iii) certain tag-along rights and rights of first offer in favor of Yildirim, (iv) certain mutual non-compete undertakings, (v) customary anti-dilution provisions, (vi) obligations to periodically deliver financial information, and (vii) certain corporate governance rights.

For more information, see “Management—Corporate Governance” and “Principal Shareholders.”

DESCRIPTION OF NOTES

The definitions of certain terms used in this description are set forth under the sub-heading “—Certain Definitions.” In this “Description of Notes,” the words “we,” “ours,” “our,” “our company” or “us” refer only to CMA CGM S.A. and not our Subsidiaries, except for the purpose of financial data determined on a consolidated basis. In addition, all references to “Notes” include “book-entry interests” in the Notes.

We will issue, on the basis described below, (i) \$475 million aggregate principal amount of dollar-denominated senior notes due April 15, 2017 (the “Dollar Notes”) under an indenture dated as of April 21, 2011 (the “Dollar Notes Indenture”) between us and The Bank of New York Mellon, London Branch, as trustee (the “Dollar Notes Trustee”), and (ii) €325 million aggregate principal amount of euro-denominated senior notes due April 15, 2019 (the “Euro Notes” and, together with the Dollar Notes, the “Notes”) under an indenture dated as of April 21, 2011 (the “Euro Notes Indenture” and, together with the Dollar Notes Indenture, the “Indentures”) between us and The Bank of New York Mellon, as trustee (the “Euro Notes Trustee” and, together with the Dollar Notes Trustee, the “Trustees”). Any references herein to (i) a “Trustee” means the Dollar Notes Trustee or the Euro Notes Trustee, (ii) an “Indenture” means the Dollar Notes Indenture or the Euro Notes Indenture, or (iii) the Notes mean the Dollar Notes or the Euro Notes, in each case as the context may require. The terms of the Notes include those expressly set forth in the applicable Indenture.

Proceeds of the issuance of the Notes, together with the other amounts specified under “—Escrow Arrangement,” will be held in escrow until the Completion Date. However, if the Completion Date has not occurred on or prior to the date that is 60 days after the issuance of the Notes (the “Escrow Redemption Date”), or if the Issuer elects to exercise the optional Special Redemption provision, the Issuer will be required to redeem the Dollar Notes at a redemption price equal to 101% of the issue price of the Dollar Notes, plus the accrued interest to, but not including, the date of redemption (the “Dollar Escrow Redemption Price”) and to redeem the Euro Notes at a redemption price equal to 101% of the issue price of the Euro Notes, plus the accrued interest to, but not including, the date of redemption (the “Euro Escrow Redemption Price”). See “—Special Redemption.”

The following description is a summary of the material terms of the Indentures. It does not, however, restate the Indentures in their entirety. The Indentures, copies of which are attached hereto, are incorporated herein by reference and references herein to particular provisions of the Indentures, including the definitions of certain terms, are qualified in their entirety by reference thereto. We urge you to read the applicable Indenture because it contains additional information and because it and not this description defines your rights as a holder of the Notes.

Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange. If and for so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, we will maintain a paying or transfer agent in Luxembourg. See “—Payments on the Notes; Paying Agent.”

General

The Notes

The Notes are our general unsecured obligations.

Principal, Maturity and Interest

We will issue \$475 million aggregate principal amount of Dollar Notes and €325 million aggregate principal amount of Euro Notes. The Dollar Notes will mature on April 15, 2017 and the Euro Notes will mature on April 15, 2019 unless redeemed prior thereto as described herein. The Notes will be redeemed at their maturity at a redemption price equal to 100% of their principal amount.

Subject to our compliance with the covenant described under “—Certain Covenants—Limitation on Debt,” we are permitted to issue (i) additional Dollar Notes under the Dollar Notes Indenture (the “Additional Dollar Notes”) and (ii) additional Euro Notes under the Euro Notes Indenture (the “Additional Euro Notes” and, together with the Additional Dollar Notes, the “Additional Notes”), from time to time. The Dollar Notes and any

Additional Dollar Notes that are actually issued will be treated as a single class for all purposes of the Dollar Notes Indenture, and the Euro Notes and any Additional Euro Notes that are actually issued will be treated as a single class for all purposes of the Euro Notes Indenture, in each case, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, references to the “Dollar Notes,” the “Euro Notes” and the “Notes” for all purposes of the Dollar Notes Indenture, the Euro Notes Indenture and the Indentures, respectively, and in this “Description of Notes” include references to any Additional Dollar Notes, Additional Euro Notes or Additional Notes, as applicable, that we actually issue.

The Dollar Notes will bear interest at the rate of 8.500% per annum and the Euro Notes will bear interest at the rate of 8.875% per annum, from April 21, 2011 or from the most recent interest payment date on which interest has been paid or provided for, whichever is the later. Interest will be payable semi-annually on each Note on April 15 and October 15 of each year, commencing on October 15, 2011. We will pay interest on each Note in respect of the principal amount thereof outstanding as of the immediately preceding April 1 or October 1, as the case may be. We will compute interest on the basis of a 360-day year comprised of twelve 30-day months and will pay interest on overdue principal and, to the extent permitted by law, on other overdue amounts at the same rate.

Escrow Arrangement

The Dollar Notes Indenture will provide that, upon consummation of the offering of the Dollar Notes, the net proceeds of the Dollar Notes will be deposited with The Bank of New York Mellon, London Branch, as escrow agent (the “Escrow Agent”) in a dollar denominated escrow account (the “Dollar Escrow Account”). The Euro Notes Indenture will provide that, upon consummation of the offering of the Euro Notes, the net proceeds of the Euro Notes will be deposited with the Escrow Agent in a Euro denominated escrow account (the “Euro Escrow Account”, and together with the Dollar Escrow Account, the “Escrow Account”). Simultaneously with the payment of the net proceeds of the Notes, the Issuer shall credit the Dollar Escrow Account with an additional amount in cash that, together with the net proceeds of the offering of the Dollar Notes, will be sufficient to pay the Dollar Escrow Redemption Price on the Escrow Redemption Date (without giving effect to any interest on such net proceeds or additional cash) and shall credit the Euro Escrow Account with an additional amount in cash that, together with the net proceeds of the offering of the Euro Notes, will be sufficient to pay the Euro Escrow Redemption Price on the Escrow Redemption Date (without giving effect to any interest on such net proceeds or additional cash). As long as the escrowed funds are deposited with the Escrow Agent, they will be held in cash.

Pursuant to the escrow agreement (the “Escrow Agreement”) to be entered into on the closing date of the offering among the Issuer, the Trustee and the Escrow Agent, the funds held in the Escrow Account will be released the earlier of (i) the Escrow Redemption Date and (ii) the date on which the escrowed funds are released to the Issuer upon delivery by the Issuer to the Escrow Agent and the Trustee of a Company Certificate signed by two members of the Issuer’s board of directors certifying that, on or prior to the Escrow Redemption Date (such conditions, the “Escrow Release Conditions Precedent”) the following conditions will have been fulfilled: (a) the Company will have completed, in accordance with the Restructuring Principles (as defined under the caption “Description of Certain Financing Arrangements—Implementation of the Restructuring Principles”), the amendments to the remaining two vessel financings described under “Description of Certain Financing Arrangements—Other Significant Ship Financings—Financing of three 8,465-TEU vessels, two 13,880-TEU vessels and one 16,000-TEU vessel”, and (b) the undertaking in the Restructuring Principles regarding the CdP Financing will have been satisfied or waived, as further described under “Description of Certain Financing Arrangements—Implementation of the Restructuring Principles—Specific Undertakings—Undertakings in relation to the CdP Financing”. If the Escrow Release Conditions Precedent will have been fulfilled prior to or simultaneously with the funding of the proceeds from the offering of the Notes hereby on the Issue Date, there will be no Escrow Agreement or Escrow Account and the proceeds of the offering will be funded directly to the Issuer and such proceeds will be immediately free and clear to be used as set forth in the section entitled “Use of Proceeds” in this Luxembourg listing particulars.

In the event that (a) satisfaction of the Escrow Release Conditions Precedent (the date of such satisfaction, the “Completion Date”) does not take place on or prior to the Escrow Redemption Date or (b) the Issuer determines, in its sole discretion, that the Escrow Release Conditions Precedent will not be satisfied on or prior to the Escrow Redemption Date and gives written notice and instruction to the Trustee and the Escrow Agent that it has elected to exercise the optional Special Redemption provisions, the funds in the Escrow Account will be

released for the purpose of effecting the redemption (the “Special Redemption”) of the Dollar Notes at the Dollar Escrow Redemption Price and the Euro Notes at the Euro Escrow Redemption Price in accordance with the requirements of the Indenture as described under “—Special Redemption”. Any excess funds remaining in the Escrow Account after the Special Redemption will be released to the Issuer.

As of the Completion Date, all restrictive covenants will be deemed to have been applicable to the Issuer and all Restricted Subsidiaries beginning on the Issue Date and, to the extent that the Issuer or any Restricted Subsidiary took any action or inaction on or after the Issue Date and on or prior to the Completion Date that would constitute a Default or Event of Default under the Indentures had the Issuer or any Restricted Subsidiary been subject to such restrictive covenants from and after the Issue Date, then there will exist a Default or Event of Default, as applicable, under the Indenture as of the Completion Date. However, if the Completion Date does not occur on or prior to the Escrow Redemption Date, no restrictive covenants under the Indenture will be deemed applicable to the Issuer or any other Restricted Subsidiary notwithstanding anything herein to the contrary.

No provisions of the Escrow Agreement and, to the extent such provisions relate to the Issuer’s obligation to redeem the Notes in a Special Redemption, the Indenture, may be waived or modified in any manner materially adverse to the holders of the Notes without the written consent of holders of at least 90% in aggregate principal amount of Dollar Notes and of holders of at least 90% in aggregate principal amount of Euro Notes affected thereby.

Except as the context otherwise requires, the provisions described elsewhere in this “Description of Notes” refer to the provisions of the Indenture as will be in effect beginning on the Completion Date.

Form of Notes

Each series of Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act (“Rule 144A”) will initially be represented by a Global Note in registered form without interest coupons attached (the “Restricted Global Notes”). The Restricted Global Note representing the Euro Notes (the “Euro Restricted Global Note”), will be deposited, on the closing date, with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream. The Restricted Global Note representing the Dollar Notes (the “Dollar Restricted Global Note”) will be deposited upon issuance with the custodian for the Depository Trust Company (the “DTC”) and registered in the name of Cede & Co. as DTC’s nominee. Each series of Notes sold outside the United States pursuant to Regulation S under the Securities Act (“Regulation S”) will initially be represented by a Global Note in registered form without interest coupons attached (the “Regulation S Global Notes” and, together with the Restricted Global Notes, the “Global Notes”). The Regulation S Global Note representing the Euro Notes (the “Euro Regulation S Global Note”, and, together with the Euro Restricted Global Note, the “Euro Global Notes”) will be deposited, on the closing date, with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream. The Regulation S Global Note representing the Dollar Notes (the “Dollar Regulation S Global Note”, and, together with the Dollar Restricted Global Note, the “Dollar Global Notes”) will be deposited upon issuance with the custodian for DTC and registered in the name of Cede & Co. as DTC’s nominee. Except as set forth below, record ownership of the Global Notes may be transferred, in whole or in part, only to another nominee of DTC or to a successor of DTC or its nominee. Prior to the date that is 40 days after the later of the commencement of the offering or the closing date, beneficial interests in the Regulation S Global Notes may be held only through Euroclear and Clearstream. See “Book-Entry, Delivery and Form”.

The Dollar Notes will be issued only in fully registered form without coupons and in minimum denominations of \$150,000 and integral multiples of \$1,000 in excess thereof. The Euro Notes will be issued only in fully registered form without coupons and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be issued on the issue date only against payment in immediately available funds. Investors who are both “qualified institutional buyers” (as defined in Rule 144A) and who purchase Notes in reliance on Rule 144A may hold their interests in the Restricted Global Note directly through DTC if they are DTC participants (the “Participants”) or indirectly through organizations that are DTC participants (“Indirect Participants”).

Investors who purchase Notes in offshore transactions in reliance on Regulation S must initially hold their interests in the Regulation S Global Note directly through Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”), or Clearstream Banking, if they are participants in these systems, or indirectly through organizations that are participants in these systems. After the expiration of the Distribution Compliance Period referred to in the next paragraph (but not earlier), investors may also hold interests in the Regulation S Global

Note through Participants in the DTC system other than Euroclear and Clearstream Banking. Euroclear and Clearstream Banking will hold interests in the Regulation S Global Note on behalf of their participants through their respective depositaries, which in turn will hold the interests in the Regulation S Global Note in customers' securities accounts in the depositaries' names on the books of DTC.

Regulation S prohibits distributors of Notes under Regulation S from offering, selling or delivering the Notes until 40 days after the later of (i) the date of the commencement of the Offering or (ii) the original issue date of the Notes within the United States to or for the account or benefit of U.S. persons (such 40-day period being called the "Distribution Compliance Period"). Until the expiration of the Distribution Compliance Period, beneficial interests in the Regulation S Global Notes may be held only through Euroclear and Clearstream Banking (as Indirect Participants in DTC), unless transferred to a person that takes delivery through the Restricted Global Note in accordance with certain certification requirements. Beneficial interests in the Restricted Global Note may not be exchanged for beneficial interests in the Regulation S Global Note at any time except in the limited circumstances. See "Book Entry; Delivery and Form—Depository Procedures—Exchanges Between the Global Notes." In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its Participants or its Indirect Participants (including, if applicable, those of Euroclear and Clearstream Banking), which may change from time to time.

So long as Cede & Co., as the nominee of DTC, is the registered owner of a Global Note, Cede & Co. for all purposes (except with respect to the determination of Additional Amounts payable) will be considered the sole holder of the Global Note. Owners of beneficial interests in a Global Note will be entitled to have certificates registered in their names and to receive physical delivery of Notes only in the limited circumstances described under "Book-Entry; Delivery and Form—Depository Procedures—Exchange of Global Notes for Definitive Notes."

Transfer and Exchange

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

The Notes will be subject to certain restrictions on transfer and certification requirements, as described under "Notice to Investors."

Payments on the Notes; Paying Agent

We will make all payments, including principal of, premium, if any, and Additional Amounts and interest on, the Notes through an agent in New York that we will maintain for these purposes. Initially that agent will be The Bank of New York Mellon, New York Branch and, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, a paying agent in Luxembourg (each a "Paying Agent"). The Bank of New York (Luxembourg) S.A. will initially act as paying agent in Luxembourg. In addition, we or any of our Subsidiaries may act as Paying Agent in connection with the Notes other than for the purposes of effecting a redemption described under "—Optional Redemption" or an offer to purchase the Notes described under "—Purchase of Notes upon a Change of Control." We will make all payments in same-day funds.

No service charge will be made for any registration of transfer, exchange or redemption of the Notes, but we may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange.

Ranking

The Notes will be our unsecured and unsubordinated obligations and will:

- (a) rank senior in right of payment to all of our existing and future debt and obligations that are, by their terms, expressly subordinated in right of payment to the Notes;
- (b) rank equally in right of payment to all of our existing and future debt and obligations that are not, by their terms, expressly subordinated in right of payment to the Notes;

- (c) be effectively subordinated in right of payment to all of our existing and future secured indebtedness to the extent of the value of the assets securing such debt, as described under “Risk Factors—Risks Relating to the Notes, the Offering and Other Financings—The notes will be unsecured obligations, and will be effectively subordinated to our secured indebtedness”; and
- (d) be structurally subordinated to all existing and future debt and obligations of our Subsidiaries, as described under “Risk Factors—Risks Relating to the Notes, the Offering and Other Financings—Your right to receive payments under the notes will be structurally or effectively subordinated to claims of existing and future creditors of our subsidiaries”.

In the Indentures, the Trustee will acknowledge that pursuant to clauses 3 (Rank of the ORA) and 5 (Redemption) of the ORA and in accordance with Article 1121 of the French *Code Civil*, the holders of the ORA agree that, in accordance with the terms of the ORA, the ORA and the related interest coupons constitute subordinated obligations of the Company, ranking junior in right of all indebtedness of the Company existing on the date the ORA was issued by the Company and to any future indebtedness of the Company, including the Notes. The Issuer and the Trustee will agree to enter into a supplement to the Indenture upon the issuance of any Additional ORA in order to effect a similar acknowledgement with respect to such Additional ORA.

As of December 31, 2010, on a pro forma basis after giving effect to the Yildirim Investment, the amendments to our existing financing arrangements, the issuance of the Notes and the application of the net proceeds therefrom as described herein under “Use of Proceeds” (assuming that the Escrow Release Conditions Precedent are satisfied and based on the obligations of the principal obligor and excluding the impact of any guarantees):

- (a) on an unconsolidated basis, we would have had total indebtedness of approximately \$4,319.4 million; and
- (b) on a combined basis, our Subsidiaries would have had total indebtedness of approximately \$2,497.5 million.

See “Capitalization” and “Description of Certain Financing Arrangements”.

Although the Indentures contain limitations on the amount of additional Debt that we and our Restricted Subsidiaries may Incur, the amount of such additional Debt could be substantial, and some of our additional Debt and the additional Debt of our Restricted Subsidiaries could be secured.

Additional Amounts

All payments that we or our agents make under or with respect to the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and other similar liabilities related thereto) of whatever nature (collectively, “Taxes”) imposed or levied by or on behalf of the government of France or by or within any department or political subdivision thereof or within any other jurisdiction in which we or any Surviving Entity are organized or resident or doing business for tax purposes or from or through which payment is made (each a “Relevant Taxing Jurisdiction”), unless we or our agents are required to withhold or deduct Taxes by law or by the interpretation or administration of law. If we or our agents are required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Notes, we or our agents will pay additional amounts (“Additional Amounts”) as may be necessary to ensure that the net amount received by each holder or beneficial owner of the Notes after such withholding or deduction (including any withholding or deduction in respect of any Additional Amounts) will not be less than the amount the holder or beneficial owner would have received if such Taxes had not been withheld or deducted.

We will not, however, pay Additional Amounts to a holder or beneficial owner of Notes in respect or on account of:

- (a) Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of the holder’s or beneficial owner’s present or former connection with such Relevant Taxing Jurisdiction (other than the mere receipt, holding, ownership or disposition of Notes or by reason of the receipt of payments thereunder or the exercise or enforcement of rights under the Notes or the Indenture);
- (b) Taxes to the extent that such Taxes are imposed or levied by reason of the failure of such holder or beneficial owner of Notes, prior to the relevant date on which a payment under and with respect to the Notes is due and payable (the “Relevant Payment Date”) to comply with our written request addressed to such holder or beneficial owner, as the case may be, at least 30 calendar days prior to the Relevant

Payment Date to provide accurate information with respect to any certification, identification, information or other reporting requirements that such holder or such beneficial owner is legally required to satisfy, whether imposed by statute, treaty, regulation or administrative practice, in each such case by the Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that such holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);

- (c) any estate, inheritance, gift, sales, personal property or similar Taxes;
- (d) any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to the Notes;
- (e) Taxes imposed on or with respect to any payment by us to the holder if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such Note to the extent that Taxes would not have been imposed on such holder had such holder been the sole beneficial owner of such Note;
- (f) Taxes to the extent that such Taxes are imposed or levied by reason of the failure of such holder or beneficial owner to present (where presentation is required) its Note within 30 calendar days after we have made available to such holder or beneficial owner a payment under the Notes and the Indenture (excluding any Additional Amounts to which such holder or beneficial owner would have been entitled had its Notes been presented on any day within such 30 calendar day period);
- (g) any Tax that is imposed on or with respect to a payment made to a holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Notes to another paying agent in a member state of the European Union; or
- (h) any such withholding or deduction in respect of any Taxes imposed on a payment to an individual that is required to be made pursuant to any EU Directive on the taxation of savings income relating to the proposal for a Directive on the taxation of such savings income published by the ECOFIN Council on December 13, 2001 or otherwise implementing the conclusions of the ECOFIN Council meeting of November 26–27, 2000 (including, but not limited to, the EU Directive No. 2003/48/EC dated June 3, 2003) or any law implementing or complying with, or introduced in order to conform to, any such Directive.

We will also (i) make such withholding or deduction compelled by applicable law and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if we will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), we will deliver to the Trustee an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Trustee, at our direction, to pay such Additional Amounts to holders on the payment date. We will promptly publish a notice in accordance with the provisions set forth in "—Notices" stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

In addition, we will pay any present or future stamp, issue, registration, documentation, excise or property Taxes or other similar Taxes, charges and duties, including interest and penalties with respect thereto, imposed by any Relevant Taxing Jurisdiction or any political subdivision or taxing authority thereof or in the foregoing in respect of the execution, issue, delivery or registration of the Notes or any other document or instrument referred to thereunder and any such Taxes, charges or duties imposed by any jurisdiction as a result of, or in connection with, the enforcement of the Notes or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes, and we agree to indemnify the holders, beneficial owners and the Trustee for any such Taxes paid by such holder, beneficial owner or Trustee, as the case may be.

Upon written request, we will furnish to the Trustee or a holder within a reasonable time certified copies of tax receipts evidencing the payment by us of any Taxes imposed or levied by a Relevant Taxing Jurisdiction, in accordance with the procedures described in "—Selection and Notice" hereafter, in such form as provided in the normal course by the taxing authority imposing such Taxes and as is reasonably available to us. If, notwithstanding our efforts to obtain such receipts, the same are not obtainable, we will provide the Trustee or such holder with other evidence reasonably satisfactory to the Trustee or holder of such payments by us.

Whenever the Indenture or this “Description of Notes” refers to, in any context, the payment of principal, interest, if any, or any other amount payable under or with respect to any Note, such reference includes the payment of Additional Amounts, if applicable.

The preceding provisions will survive any termination, defeasance or discharge of the Indenture and shall apply *mutatis mutandis* to any jurisdiction in which any Guarantor or successor person to us, our agents or any Guarantor is incorporated, resident or doing business for tax purposes or any jurisdiction from or through which such person makes any payment on the Note (or any Guarantee) and any political subdivision or taxing authority or agency thereof or therein.

Optional Redemption

Optional Redemption prior to April 15, 2014 upon Equity Offering

At any time prior to April 15, 2014, upon not less than 30 nor more than 60 days’ notice, we may on any one or more occasions redeem up to 35% of the aggregate principal amount of Dollar Notes or Euro Notes, as applicable, at a redemption price of 108.500% of the principal amount of the Dollar Notes and 108.875% of the principal amount of the Euro Notes, plus accrued and unpaid interest, if any, to the redemption date, with the net proceeds received by us from one or more Public Equity Offerings. We may only do this, however, if:

- (a) at least 65% of the aggregate principal amount of Dollar Notes or Euro Notes, as applicable, originally issued under an Indenture (including any Additional Notes) remains outstanding immediately after the proposed redemption; and
- (b) the redemption occurs within 90 days after the closing of the Equity Offering.

Optional Redemption of Dollar Notes prior to April 15, 2014

At any time prior to April 15, 2014, we may also redeem all or part of the Dollar Notes, upon not less than 30 nor more than 60 days’ notice, at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium of the Dollar Notes and accrued and unpaid interest to the redemption date.

“Applicable Redemption Premium of the Dollar Notes” means, with respect to any Dollar Note on any redemption date, the greater of:

- (a) 1.0% of the principal amount of the Dollar Note; and
- (b) the excess of:
 - (i) the present value at such redemption date of the redemption price of such Dollar Note at April 15, 2014, plus all required interest payments that would otherwise be due to be paid on such Note during the period from the redemption date to April 15, 2014 excluding accrued but unpaid interest, computed using a discount rate equal to the Treasury Rate at such redemption date plus 50 basis points; over
 - (ii) the principal amount of the Dollar Note.

Optional Redemption of Euro Notes prior to April 15, 2015

At any time prior to April 15, 2015, we may also redeem all or part of the Euro Notes, upon not less than 30 nor more than 60 days’ notice, at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium of the Euro Notes and accrued and unpaid interest to the redemption date.

“Applicable Redemption Premium of the Euro Notes” means, with respect to any Euro Note on any redemption date, the greater of:

- (a) 1.0% of the principal amount of the Euro Note; and
- (b) the excess of:
 - (i) the present value at such redemption date of the redemption price of such Euro Note at April 15, 2015, plus all required interest payments that would otherwise be due to be paid on such Euro Note during the period from the redemption date to April 15, 2015 excluding accrued but unpaid interest, computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over
 - (ii) the principal amount of the Euro Note.

Optional Redemption of Dollar Notes after April 15, 2014

At any time on or after April 15, 2014 and prior to maturity, we may redeem all or part of the Dollar Notes upon not less than 30 nor more than 60 days' prior notice. These redemptions will be in amounts of \$150,000 or integral multiples of \$1,000 in excess thereof at the following redemption prices (expressed as percentages of the principal amount at maturity), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period commencing April 15 of the years set forth below. This redemption is subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date.

<u>Year</u>	<u>Redemption Price</u>
2014	104.250%
2015	102.125%
2016 and thereafter	100.000%

Optional Redemption of Euro Notes after April 15, 2015

At any time on or after April 15, 2015 and prior to maturity, we may redeem all or part of the Euro Notes upon not less than 30 nor more than 60 days' prior notice. These redemptions will be in amounts of €100,000 or integral multiples of €1,000 in excess thereof at the following redemption prices (expressed as percentages of the principal amount at maturity), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period commencing April 15 of the years set forth below. This redemption is subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date.

<u>Year</u>	<u>Redemption Price</u>
2015	104.438%
2016	102.219%
2017 and thereafter	100.000%

Redemption upon Changes in Withholding Taxes

If, as a result of:

- (a) any amendment on or after the date of the Indenture to, or change on or after the date of the Indenture in, the laws or regulations or treaties of France; or
- (b) any change on or after the date of the Indenture in the official application or official interpretation of the laws or regulations or treaties of France applicable to us,

(each of the foregoing clauses (a) and (b), a "Change in Tax Law") we would be obligated to pay, on the next date for any payment, Additional Amounts as described above under "—Additional Amounts", which we cannot avoid by the use of reasonable measures available to us, then we may redeem all, but not less than all, of the Notes, at any time thereafter, upon not less than 30 or more than 60 days' notice, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. Prior to the giving of any notice of redemption described in this paragraph, we will deliver to the Trustee:

- (a) a certificate signed by two members of our Board of Directors stating that the obligation to pay such Additional Amounts cannot be avoided by our taking reasonable measures available to us; and
- (b) a written opinion of independent legal counsel to our company of recognized standing to the effect that we have or will become obligated to pay such Additional Amounts as a result of a change, amendment, official interpretation or application described above.

We will publish a notice of any optional redemption of the Notes described above in accordance with the provisions of the Indenture described under "—Notices", which notice shall be irrevocable. We will inform the Luxembourg Stock Exchange of the principal amount of the Notes that have not been redeemed in connection with any optional redemption. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which we would be obliged to make such payment of Additional Amounts, if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect. The foregoing provisions shall apply mutatis mutandis to any successor person, after such successor person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor person becomes a party to the Indenture.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

If fewer than all the Notes are to be redeemed at any time, we shall instruct the Trustee to select the Notes by a method that complies with the requirements of the principal securities exchange, if any, on which the Notes are listed at such time or, if the Notes are not listed on a securities exchange, *pro rata*, by lot or by such other method as we in our sole discretion shall deem fair and appropriate; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Dollar Note not redeemed to less than \$150,000 and that no such partial redemption shall reduce the portion of the principal amount of a Euro Note not redeemed to less than €100,000.

We are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, we may be required to offer to purchase the Notes as described under the captions “—Purchase of Notes upon a Change of Control” and “—Certain Covenants—Limitation on Sale of Certain Assets.”

We and our Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise. We are not obligated to cancel any Notes so purchased, although they may not be reissued.

Special Redemption

In the event that (a) the Completion Date has not occurred on or prior to the Escrow Redemption Date or (b) the Issuer determines, in its sole discretion, that the Escrow Release Conditions Precedent will not be satisfied on or prior to the Escrow Redemption Date and gives written notice and instruction to the Trustee and the Escrow Agent that it has elected to exercise the optional Special Redemption provisions, the funds in the Escrow Account will be released for the purpose of effecting the redemption of the Notes. The Issuer will redeem the Dollar Notes at the Dollar Escrow Redemption Price and the Euro Notes at the Euro Escrow Redemption Price on a date that is no later than five Business Days after the Escrow Redemption Date by depositing with the Principal Paying Agent (or, if requested by the Trustee, the Trustee) money in U.S. dollars (with respect to the Dollar Notes) and euro (with respect to the Euro Notes) sufficient to pay the Dollar Escrow Redemption Price and the Euro Escrow Redemption Price, as the case may be. The Escrow Agreement will provide that the Trustee, at the expense of the Issuer, will send a notice of the Special Redemption on behalf of the Issuer to the Holders on the Escrow Redemption Date if the Completion Date has not occurred on or prior to the Escrow Redemption Date. Any excess funds remaining in the Escrow Account after the Special Redemption will be released to the Issuer.

Purchase of Notes upon a Change of Control

If a Change of Control occurs at any time, then we must make an offer (a “Change of Control Offer”) to each holder of Notes to purchase such holder’s Notes, in whole or in part (equal to, in case of the Dollar Notes, \$150,000 or in integral multiples of \$1,000 in excess thereof or, in the case of the Euro Notes, €100,000 or in integral multiples of €1,000 in excess thereof) at a purchase price (the “Change of Control Purchase Price”) in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (“Change of Control Purchase Date”) (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date); *provided* that we will not be required to make a Change of Control Offer if, when a Change of Control occurs, we have given notice of our intention to redeem all of the Notes pursuant to the provisions of the Indenture described in “—Optional Redemption”, and thereafter redeem all of the Notes in accordance with such provisions.

Within 30 days following any Change of Control, we will:

- (a) cause a notice of the Change of Control Offer to be published if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and the rules of such exchange so require, on the website of the Luxembourg Stock Exchange (www.bourse.lu); and
- (b) send notice of the Change of Control Offer by first-class mail, with a copy to the Trustee, to each holder of Notes to the address of such holder appearing in the security register, which notice will state:
 - (i) that a Change of Control has occurred and the date it occurred;
 - (ii) the circumstances and relevant facts regarding such Change of Control;

- (iii) the Change of Control Purchase Price and the Change of Control Purchase Date in respect of such Change of Control Offer, which will be a business day no earlier than 30 days or later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act and any applicable securities laws or regulations;
- (iv) that any Note accepted for payment pursuant to such Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless we fail to pay the Change of Control Purchase Price;
- (v) that any Note (or part thereof) not tendered will continue to accrue interest; and
- (vi) any other procedures that a holder of Notes must follow to accept such Change of Control Offer or to withdraw such acceptance (which procedures may also be performed at the office of the Paying Agent in Luxembourg as long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange).

The Trustee, at our direction, will promptly authenticate and deliver a new Note or Notes equal in principal amount to any unpurchased portion of Notes surrendered, if any, to the holder of Notes in global form or to each holder of certificated Notes; *provided* that each such new Note will be in a principal amount equal to, in case of the Dollar Notes, \$150,000 or in integral multiples of \$1,000 in excess thereof or, in the case of the Euro Notes, €100,000 or in integral multiples of €1,000 in excess thereof. We will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

Our ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that would constitute a Change of Control may constitute a default under the Existing Credit Facilities or some of our other financing documents. In addition, certain events that may constitute a “change of control” under the Existing Credit Facilities and cause a default thereunder may not constitute a Change of Control under the Indenture. Our future indebtedness and the future indebtedness of our Subsidiaries may also contain prohibitions of certain events that would require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the Notes of their right to require us to repurchase the Notes upon a Change of Control could cause a default under such indebtedness, even if the Change of Control itself does not, due to the possible financial effect on us of such repurchase.

If we make a Change of Control Offer, we can provide no assurance that we will have available funds sufficient to pay the Change of Control Purchase Price for all the Notes that might be delivered by holders of the Notes seeking to accept such Change of Control Offer. If we fail to make or consummate a Change of Control Offer or pay the Change of Control Purchase Price when due, such failure would result in an Event of Default and would give the Trustee and the holders of the Notes the rights described under “—Events of Default.”

Even if sufficient funds were otherwise available, the terms of our other indebtedness may prohibit our repayment of the Notes prior to their scheduled maturity. If we were not able to prepay any indebtedness containing any such restrictions or obtain requisite consents, we would be unable to fulfill our repurchase obligations to holders of Notes who exercise their right to require us to repurchase their Notes following a Change of Control, which would cause a Default under the Indenture. A Default under the Indenture, unless waived by holders, would result in a cross-default under certain of our existing financing arrangements described under “Description of Other Indebtedness.”

We will not be required to make a Change of Control Offer if (i) the Notes have been called for redemption as described under “Optional Redemption” or (ii) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon the consummation of the Change of Control transaction, if a definitive agreement is in place for the Change of Control at the time of making the offer. Except as described above with respect to a Change of Control, the provisions of the Indenture will not give holders the right to require us to repurchase the Notes in the event of certain highly leveraged transactions, or certain other transactions, including a reorganization, restructuring, merger or similar transaction and, in certain circumstances, an acquisition by our management or their Affiliates, that may adversely affect holders of the Notes, if such transaction is not a transaction defined as a Change of Control. Any such transaction, however, would have to comply with the applicable provisions of the Indenture, including the “Limitation on Debt”

covenant. The existence of a holder of the Notes' right to require us to repurchase such holder's Notes upon a Change of Control may deter a third party from acquiring us or our Subsidiaries in a transaction which constitutes a Change of Control.

We will comply with applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations (including those of the United States and France) in connection with any Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Indenture by virtue of such conflict.

"Change of Control" means the occurrence of any of the following events:

- (a) prior to the consummation of an initial Public Equity Offering, any event, the result of which is that any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting power of our Voting Stock; or
- (b) on or after the consummation of an initial Public Equity Offering, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33 1/3% of the voting power of our Voting Stock at any time that the Permitted Holders are not the "beneficial owners" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of more than 33 1/3% of the voting power of our Voting Stock (for the purposes of this clause (b), such other person or group shall be deemed to beneficially own 100% of the voting power of the Voting Stock of a specified entity directly held by a parent entity, if such other person or group becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33 1/3% of the voting power of the Voting Stock of such parent entity and the Permitted Holders do not beneficially own more than 33 1/3% of the voting power of the Voting Stock of such parent entity); or
- (c) we consummate any transaction (including, without limitation, any merger, consolidation, amalgamation or other combination) pursuant to which our outstanding Voting Stock is converted into or exchanged for cash, securities or other property, except:
 - (x) where our outstanding Voting Stock (i) is converted or exchanged only to the extent necessary to reflect a change in the jurisdiction of our incorporation or (ii) is converted into or exchanged for Voting Stock (other than Redeemable Capital Stock) of the surviving or transferee corporation; and
 - (y) where the Voting Stock of the surviving or transferee corporation is and is expected to continue to be listed on a stock exchange or automated quotation system and publicly traded, either (i) no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33 1/3% of the voting power of the total outstanding Voting Stock of such surviving or transferee corporation, or (ii) if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33 1/3% of the voting power of the total outstanding Voting Stock of such surviving or transferee corporation, then the Permitted Holders must beneficially own a larger percentage of such Voting Stock than such person or group or the Voting Stock of any of our direct or indirect parent entities; or
- (d) we convey, transfer, lease or otherwise dispose of, or any resolution with respect to a demerger or division is passed by our shareholders pursuant to which we would dispose of, all or substantially all of our assets and the assets of our Restricted Subsidiaries, considered as a whole (other than a transfer of substantially all of such assets to one or more Wholly Owned Restricted Subsidiaries), in each case to any Person other than one or more Permitted Holders; or
- (e) we are liquidated or dissolved or adopt a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under "—Certain Covenants—Consolidation, Merger and Sale of Assets."

Suspension of Covenants Following Achievement of Investment Grade Rating

If we obtain an Investment Grade Rating for the Notes from two Rating Agencies and no Default or Event of Default has occurred and is continuing under the Indenture (a “Suspension Event”), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the “Reversion Date”), we and our Restricted Subsidiaries, upon the giving of written notice by us to the Trustee, will not be subject to the provisions of the Indenture described under:

- “—Limitation on Debt;”
- “—Limitation on Restricted Payments;”
- “—Limitation on Issuances and Sales of Capital Stock of Restricted Subsidiaries;”
- “—Limitation on Transactions with Affiliates;”
- “—Limitation on Sale of Certain Assets;”
- “—Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries;”
- clause (b) of the first paragraph of the covenant described under “—Designation of Unrestricted and Restricted Subsidiaries;”
- clause (b) of the covenant described under “—Limitation on Sale and Leaseback Transactions ;”
- “—Limitation on Lines of Business;” and
- clause (d) of the first paragraph of the covenant described under “—Consolidation, Merger and Sale of Assets.”

As a result, upon such event, the Notes will lose most of the covenant protection initially provided under the Indenture and described below. For the avoidance of doubt, no covenant will be suspended until we have provided the notice referred to above. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the “Limitation on Restricted Payments” covenant will be interpreted as if it has been in effect since the date of the Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company’s option, as having been Incurred pursuant to the first paragraph of the covenant described under “—Limitation on Indebtedness” or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under the first two paragraphs of the covenant described under “—Limitation on Indebtedness,” such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(e) of the second paragraph of the covenant described under “—Limitation on Indebtedness.”

Certain Covenants

The Indenture will contain, among others, the following covenants. As described above, certain of these covenants will fall away if we obtain Investment Grade Rating for the Notes.

Limitation on Debt

- (1) We will not, and will not permit any Restricted Subsidiary to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to “Incur” or, as appropriate, an “Incurrence”) any Debt (including any Acquired Debt); provided that we, any Qualified Finance Company Subsidiary and any Guarantor will be permitted to Incur Debt if no Event or Default would occur and be continuing after giving effect on a pro forma basis to such Incurrence of Debt and the application of the

proceeds thereof, and at the time of such Incurrence and after giving pro forma effect to the Incurrence of such Debt and application of the proceeds thereof the Consolidated Fixed Charge Coverage Ratio for the four full fiscal quarters for which financial statements are available immediately preceding the Incurrence of such Debt, taken as one period, would be equal to or greater than 2.0 to 1.0.

- (2) This covenant will not, however, prohibit the following (collectively, “Permitted Debt”):
- (a) the Incurrence by us or any Restricted Subsidiary of Debt under Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed 5% of Consolidated Net Tangible Fixed Assets;
 - (b) the Incurrence by us or any Restricted Subsidiary of Debt represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Debt, in each case, Incurred or assumed to finance the purchase, acquisition, construction or improvement of Vessels or containers used in our or any Restricted Subsidiary’s business (including any reasonable related fees or expenses Incurred in connection therewith) (any such Incurrence (whether Incurred in reliance upon this clause (b) or otherwise) being a “Productive Assets Financing”); provided that the principal amount of such Debt so Incurred pursuant to this clause (b) does not, when Incurred, exceed (i) in the case of a completed Vessel, 85% of its Fair Market Value, (ii) in the case of an uncompleted Vessel, 85% of the contract price for the acquisition of such Vessel, as determined on the date on which the agreement for construction of such Vessel was entered into by the Issuer or its Restricted Subsidiary, plus any other Ready for Sea Cost of such Vessel, (iii) in the case of a completed container, 100% of the book value of such container and (iv) in the case of an uncompleted container, 100% of the contract price for the acquisition of such container, as determined on the date on which the agreement for construction of such container was entered into by the Issuer or its Restricted Subsidiary;
 - (c) the Incurrence by us or any Restricted Subsidiary of Debt represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Debt, in each case, Incurred or assumed to finance the purchase, acquisition, construction or improvement of real or personal, movable or immovable, property or assets (excluding any Productive Assets Financing); provided that the amount of such Debt so Incurred when aggregated with other Debt previously Incurred in reliance on this clause (c) and still outstanding (including any Permitted Refinancing Debt in respect thereof, but, for the avoidance of doubt, excluding any Debt incurred in reliance on clauses (b) or (e) of this paragraph (2)) shall not in the aggregate exceed \$100.0 million, and provided, further, that the total amount of any Debt Incurred in connection with a purchase, acquisition, construction or improvement permitted under this clause (c) did not in each case at the time of Incurrence exceed (i) the Fair Market Value of the purchased, acquired or constructed asset or improvement so financed or refinanced or (ii) in the case of an uncompleted constructed asset, the amount of the asset to be constructed, as determined on the date on which the contract for construction of such asset was entered into by us or the relevant Restricted Subsidiary (including, in each case, any reasonable related fees and expenses Incurred in connection with such acquisition, construction or development);
 - (d) the Incurrence by us of Debt represented by the Notes (other than Additional Notes);
 - (e) any Debt of ours or any Restricted Subsidiary (other than Debt described in another clause of this paragraph (2)), outstanding on the date of the Indenture including, without limitation, all outstanding Debt Incurred in Productive Assets Financings of ours or any Restricted Subsidiary existing on the date of the Indenture;
 - (f) the Incurrence by us or any Restricted Subsidiary of intercompany Debt between us and any Restricted Subsidiary or between or among Restricted Subsidiaries; provided that if we are the obligor on such Debt, such Debt is unsecured; provided, further, that (x) any disposition, pledge or transfer of any such Debt to any Person other than us or a Restricted Subsidiary and (y) any transaction pursuant to which any Restricted Subsidiary that has Debt owing to us or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an Incurrence of such Debt by the issuer thereof not permitted by this clause (f);
 - (g) the Incurrence by us or any Restricted Subsidiary of Debt arising from customary agreements providing for guarantees, earn-outs, indemnities or obligations in respect of purchase price adjustments in connection with the acquisition or disposition of assets, including, without limitation, shares of Capital Stock, other than guarantees or similar credit support given by us or any Restricted Subsidiary on Debt Incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; provided that, in the case of a sale, the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (g) will at no time exceed the net proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received from the sale of such assets;
 - (h) the Incurrence by us or any Restricted Subsidiary of Debt under Currency Agreements that are entered into in the ordinary course of business and not for speculative purposes;

- (i) the Incurrence by us or any Restricted Subsidiary of Debt under Interest Rate Agreements entered into in the ordinary course of business and not for speculative purposes;
- (j) the Incurrence by us or any Restricted Subsidiary of Debt under Fuel Hedging Agreements entered into in the ordinary course of business in order to hedge anticipated commodity price fluctuations;
- (k) the Incurrence by us or any Restricted Subsidiary of Debt in respect of workers' compensation claims and claims arising under similar legislation, or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit;
- (l) the Incurrence of Debt by us or any Restricted Subsidiary arising from: (i) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Debt is extinguished within 15 business days of Incurrence, (ii) bankers' acceptances, performance, completion, surety, judgment, appeal or similar bonds, instruments or obligations provided or obtained by us or any Restricted Subsidiary in the ordinary course of business and (iii) completion guarantees provided or letters of credit obtained by us or any Restricted Subsidiary in the ordinary course of business;
- (m) any Debt of ours or any Restricted Subsidiary Incurred pursuant to Permitted Receivables Financings in an aggregate principal amount at any one time outstanding not to exceed 35% of Total Receivables as determined at the time of such Incurrence;
- (n) the Incurrence by us or any Restricted Subsidiary of Debt in relation to: (i) regular maintenance required to maintain the classification of any of the ships owned or chartered on bareboat terms by us or any Restricted Subsidiary, (ii) scheduled dry-docking of any of the ships owned by us or any Restricted Subsidiary for normal maintenance purposes and (iii) any expenditures that will or reasonably may be expected to be recoverable from insurance on such ships;
- (o) the Incurrence by us or any Restricted Subsidiary of Debt in relation to the provision of bonds, guarantees, letters of credit or similar obligations required by the United States Federal Maritime Commission or other governmental or regulatory agencies including, without limitation, customs authorities, in connection with ships owned or chartered or business conducted by us or any Restricted Subsidiary;
- (p) the Incurrence by us or any Restricted Subsidiary of Debt in relation to the provision in the ordinary course of business of bonds, guarantees, letters of credit or similar obligations required to remove Liens asserted by third parties pursuant to ship arrests;
- (q) the Incurrence by us or any Restricted Subsidiary of Debt to finance the replacement of a Vessel upon the total loss, destruction, condemnation, confiscation, requisition, seizure or forfeiture of, or other taking of title to or use of, such Vessel (collectively, a "Total Loss") in an aggregate amount no greater than the amount that is equal to the contract price for such replacement Vessel less all compensation, damages and other payments (including insurance proceeds other than in respect of business interruption insurance) received by us or any Restricted Subsidiary from any Person in connection with such Total Loss in excess of amounts actually used to repay Debt secured by the Vessel subject to such Total Loss;
- (r) guarantees of the Notes made in accordance with the provisions of the covenant described under "—Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries" below;
- (s) Acquired Debt of a Restricted Subsidiary incurred and outstanding on or prior to the date on which such Subsidiary was acquired by us or another Restricted Subsidiary and became a Restricted Subsidiary; provided that, after giving pro forma effect to such acquisition, (i) we would have been able to incur at least \$1.00 of additional Debt pursuant to paragraph (1) of this covenant or (ii) we have a Consolidated Fixed Charge Coverage Ratio equal to or greater than such ratio of our company and the Restricted Subsidiaries immediately prior to such acquisition;
- (t) the Incurrence of Debt by us or any Restricted Subsidiary (other than and in addition to Debt permitted under clauses (a) through (s) above and clause (u) below) in an aggregate principal amount at any one time outstanding not to exceed \$75.0 million;
- (u) the Incurrence by us or a Restricted Subsidiary of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to Refinance, Debt Incurred pursuant to, or described in, paragraphs (1) and paragraphs 2(b), (c), (d), (e), (s), (u) and (v) of this covenant, as the case may be;
- (v) any Debt under Existing Credit Facilities; and

- (w) any Debt under the ORA and any Additional ORAs, provided that the maximum amount of cash payment of interest, dividends or similar amounts that may be accrued and payable pursuant to the terms thereof may not exceed 12.0% per annum of the principal amount thereof and provided, further, that no such interest, dividend or similar amount shall be paid for so long as a Default or Event of Default specified in clause (a), (b), (d), (e) or (j) under “—Events of Default” has occurred and is outstanding.
- (3) For purposes of determining compliance with any dollar-denominated restriction on the Incurrence of Debt where Debt is denominated in a different currency, the amount of such Debt will be equal to the Dollar Equivalent thereof on the date of such determination; provided that, if any such Debt denominated in a different currency is subject to a Currency Agreement (which is designed to protect against or manage exposure to fluctuations in such currency against the dollar) covering principal amounts payable on such Debt, the amount of such Debt expressed in dollars will be adjusted to take into account the effect of such agreement. The principal amount of any Permitted Refinancing Debt Incurred in the same currency as the Debt being refinanced will be the Dollar Equivalent of such Debt being refinanced determined on the date such Debt being refinanced was initially Incurred. Notwithstanding any other provision of this covenant, for purposes of determining compliance with the “Limitation on Debt” covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that we or a Restricted Subsidiary may Incur under the “Limitation on Debt” covenant.
- (4) For purposes of determining any particular amount of Debt under the “Limitation on Debt” covenant:
- (a) obligations with respect to letters of credit, guarantees or Liens, in each case supporting Debt otherwise included in the determination of such particular amount will not be included;
 - (b) any Liens granted pursuant to the equal and ratable provisions referred to in the “Limitation on Liens” covenant will not be treated as Debt; and
 - (c) accrual of interest, accrual of dividends, the accretion of accreted value, the obligation to pay commitment fees and the payment of interest in the form of additional Debt will not be treated as Debt.
- (5) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in paragraph (1) or (2) of this “Limitation on Debt” covenant, we, in our sole discretion, will classify such item of Debt and will only be required to include the amount and type of such Debt as the type of Debt to which it is classified and we will be entitled to divide and classify an item of Debt in more than one of the applicable types of Debt described in paragraph (1) or (2) of this “Limitation on Debt” covenant, and may change the classification of an item of Debt (or any portion thereof) to any other applicable type of Debt described in paragraph (1) or (2) of this “Limitation on Debt” covenant at any time.

Limitation on Restricted Payments

- (1) We will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a “Restricted Payment” and which are collectively referred to as “Restricted Payments”):
- (a) declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of our or any Restricted Subsidiary’s Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving us or any Restricted Subsidiary) (other than (i) to us or any Wholly Owned Restricted Subsidiary or (ii) to all holders of Capital Stock of such Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by us or a Restricted Subsidiary of dividends or distributions of greater value than we or such Restricted Subsidiary would receive on a *pro rata* basis), except for dividends or distributions payable solely in shares of our Qualified Capital Stock or in options, warrants or other rights to acquire such shares of Qualified Capital Stock;
 - (b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation), directly or indirectly, any shares of our Capital Stock or any Capital Stock of any direct or indirect parent of ours or any other Affiliate of such parent (other than a purchase or other acquisition of Capital Stock of such other Affiliate that is a Permitted Investment) held by persons other than us or a Restricted Subsidiary or any options, warrants or other rights to acquire such shares of Capital Stock;
 - (c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value,
 - (i) prior to any scheduled principal payment, scheduled sinking fund payment or scheduled maturity,

any Subordinated Debt (other than a principal payment on, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Debt purchased in anticipation of satisfying a scheduled principal payment, scheduled sinking fund payment, scheduled maturity or other installment obligation, in each case due within one year of the date of acquisition) or (ii) the ORA or any Additional ORAs; or

(d) make any Investment (other than any Permitted Investment) in any Person.

If any Restricted Payment described above is not made in cash, we will calculate the amount of the proposed Restricted Payment at the Fair Market Value of the asset to be transferred as of the date of transfer.

- (2) Notwithstanding paragraph (1) above, we may make a Restricted Payment if, at the time of and after giving pro forma effect to, such proposed Restricted Payment:
- (a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
 - (b) we could Incur at least \$1.00 of additional Debt (other than Permitted Debt) pursuant to the “Limitation on Debt” covenant; and
 - (c) the aggregate amount of all Restricted Payments (subject to the provisions of the last paragraph under this covenant) declared or made after the date of the Indenture does not exceed the sum of (without duplication):
 - (i) 50% of our aggregate Consolidated Adjusted Net Income on a cumulative basis during the period beginning on April 1, 2011 and ending on the last day of our last fiscal quarter ending prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Adjusted Net Income shall be a negative number, minus 100% of such negative amount); plus
 - (ii) the aggregate Net Cash Proceeds received by us after the date of the Indenture as capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of our Qualified Capital Stock (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase shares of our Qualified Capital Stock (except, in each case to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Debt as set forth in (b) or (c) of paragraph (3) below) (excluding the Net Cash Proceeds from the issuance of our Qualified Capital Stock financed, directly or indirectly, using funds borrowed from us or any Subsidiary until and to the extent such borrowing is repaid), plus
 - (iii) (x) the amount by which our Debt or Debt of any Restricted Subsidiary is reduced on our consolidated balance sheet after the date of the Indenture upon the conversion or exchange (other than by us or any Subsidiary) of such Debt into our Qualified Capital Stock, and (y) the aggregate Net Cash Proceeds received after the date of the Indenture by us from the issuance or sale (other than to any Subsidiary) of Redeemable Capital Stock that has been converted into or exchanged for our Qualified Capital Stock, to the extent such Redeemable Capital Stock was originally sold for cash or Cash Equivalents, together with, in the cases of both (x) and (y), the aggregate net cash proceeds received by us at the time of such conversion or exchange (excluding the Net Cash Proceeds from the issuance of our Qualified Capital Stock financed, directly or indirectly, using funds borrowed from us or any Subsidiary until and to the extent such borrowing is repaid), plus
 - (iv) (x) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after the date of the Indenture, an amount (to the extent not included in Consolidated Adjusted Net Income) equal to the lesser of the return of capital with respect to such Investment and the initial amount of such Investment, in either case, less the cost of the disposition of such Investment and net of taxes; (y) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of our interest in such Subsidiary; *provided* that such amount will not in any case exceed the amount of the Restricted Payment deemed made at the time that the Subsidiary was designated as an Unrestricted Subsidiary, less any repayment or other reduction prior to such designation as a Restricted Subsidiary; and (z) in the case of an Investment that was a guarantee and that constituted a Restricted Payment made after the date of the Indenture and is subsequently released, an amount (to the extent not included in Consolidated Adjusted Net Income) equal to (i) the amount of such guarantee released to the extent no payments had been made in respect thereof prior to or in connection with such release or (ii) if any such payments had been made, the amount reimbursed to the Person who granted such guarantee by a Person other than us or a Restricted Subsidiary; plus

- (v) in the event that we or any Restricted Subsidiary make any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, an amount equal to the Fair Market Value of our or such Restricted Subsidiary's existing interest in such person (*provided* that such amount will not in any case exceed the aggregate amount of the Restricted Payments made or deemed made in respect of such Unrestricted Subsidiary, less any repayment or other reduction prior to the Investment) and to the extent such Investment has not been previously repaid or otherwise reduced.
- (3) Notwithstanding paragraphs (1) and (2) above, we and any Restricted Subsidiary may take the following actions so long as (with respect to clauses (h), (j), (l) and (n) below) no Default or Event of Default has occurred and is continuing:
- (a) the payment of any dividend within 60 days after the date of its declaration if at such date of its declaration such payment would have been permitted by the provisions of this covenant;
 - (b) the purchase, redemption or other acquisition or retirement for value of any shares of our Capital Stock or options, warrants or other rights to acquire such Capital Stock in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of our Qualified Capital Stock or options, warrants or other rights to acquire such Capital Stock;
 - (c) the purchase, redemption, defeasance or other acquisition or retirement for value or payment of principal of any Subordinated Debt in exchange for, or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of our Qualified Capital Stock;
 - (d) the purchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Debt (other than Redeemable Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent Incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;
 - (e) the repurchase of Capital Stock deemed to occur upon the exercise of stock options in which payment of the cash exercise price has been forgiven if the cumulative aggregate value of such deemed repurchases does not exceed the cumulative aggregate amount of the exercise price of such options received;
 - (f) payments or distributions to dissenting shareholders pursuant to applicable law in connection with or in contemplation of a merger, consolidation or transfer of assets that complies with the provisions of the Indenture described under "Consolidation, Merger and Sale of Assets;"
 - (g) cash payments in lieu of issuing fractional shares pursuant to the exercise or conversion of any exercisable or convertible securities;
 - (h) the purchase (or other acquisition) of Capital Stock, or any warrants, options or rights to purchase Capital Stock from our or our Restricted Subsidiaries' current and former employees or management (and their respective assignees or successors) in each case initially sold or granted in connection with employee stock option agreements or other agreements to compensate employees not to exceed \$10.0 million in the aggregate for all such purchases;
 - (i) payments or other transactions pursuant to a tax sharing agreement between us and any of our Restricted Subsidiaries with which we file a consolidated tax return or with which we are part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;
 - (j) the repurchase of any Subordinated Debt in the event of a Change of Control or an Asset Sale in accordance with provisions similar to the provisions of the Indenture described under "—Purchase of Notes upon a Change of Control" or "—Limitation on Sale of Certain Assets," as applicable, *provided* that, prior to such purchase, we have made the Change of Control Offer or Excess Proceeds Offer, as applicable, as provided in such covenants with respect to the Notes and have repurchased all Notes validly tendered for payment in connection with such Change of Control Offer or Excess Proceeds Offer, as applicable;
 - (k) payments to our direct parent holding company to pay salaries and other proper and necessary incidental expenses of its employees to the extent related to work or services performed by such employees in our business or the business of any Restricted Subsidiary;
 - (l) following the first Public Equity Offering of the Issuer or of a direct or indirect parent company of the Issuer, up to 6% per annum of the Net Cash Proceeds received by the Issuer from any such Public Equity Offering as equity capital in the form of Qualified Capital Stock;

- (m) the declaration and payment of dividends to holders of any class or series of Redeemable Capital Stock of the Company issued in accordance with the terms of the Indenture; and
- (n) any other Restricted Payment, *provided* that the total aggregate amount of Restricted Payments made under this clause (n) does not exceed \$25.0 million;

The actions described in clauses (a), (f), (g), (h), (j), (k), (l) and (n) of this paragraph (3) are Restricted Payments that will be permitted to be made in accordance with this paragraph (3) but that reduce the amount that would otherwise be available for Restricted Payments under clause (c) of paragraph (2) above.

Limitation on Issuances and Sales of Capital Stock of Restricted Subsidiaries

We will not sell, pledge, or otherwise dispose of, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell, any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock). The foregoing sentence, however, will not apply to:

- (a) issuances or sales to us or a Wholly Owned Restricted Subsidiary;
- (b) issuances or sales to directors of directors' qualifying shares or issuances or sales to nationals of shares of Capital Stock of Restricted Subsidiaries, in each case to the extent required by applicable law;
- (c) any issuance or sale of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such issuance or sale such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the "Limitation on Restricted Payments" covenant or clause (d), (m) or (v) of the definition of Permitted Investment if made on the date of such issuance or sale;
- (d) any issuance or sale of Capital Stock of a Restricted Subsidiary made in compliance with the "Limitation on Sale of Certain Assets" covenant and if immediately after giving effect to such issuance or sale such Restricted Subsidiary would continue to be a Restricted Subsidiary;
- (e) Capital Stock issued by a Person prior to the time:
 - (i) such Person becomes a Restricted Subsidiary,
 - (ii) such Person merges with or into a Restricted Subsidiary,
 - (iii) a Restricted Subsidiary merges with or into such Persons, but only if that Capital Stock was not issued or Incurred by such Person in anticipation of it becoming a Restricted Subsidiary; or
- (f) the Incurrence of Liens permitted under the "Limitation on Liens" covenant.

Limitation on Transactions with Affiliates

We will not, and will not permit any Restricted Subsidiary, directly or indirectly, to enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service), with, or for the benefit of, any Affiliate of ours or any Restricted Subsidiary's Affiliate unless such transaction or series of transactions is entered into in good faith and:

- (a) such transaction or series of transactions is on terms that are no less favorable to us or such Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's-length transactions with third parties that are not Affiliates;
- (b) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or provision of services, in each case having a value greater than \$25.0 million, such transaction complies with clause (a) above and such transaction has been approved by a majority of the Disinterested Directors of the Board of Directors of the Company, or in the event there is only one Disinterested Director, by such Disinterested Director and (ii) submit such transaction for ratification by our shareholders at the annual general shareholders meeting next preceding the date of such transaction, such ratification to be made upon presentation by our independent auditors of a special report describing the principal terms of such transaction; and
- (c) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case having a value greater than \$50.0 million, we will deliver to the Trustee a written opinion of an investment banking firm of international standing (or, if an investment banking firm is generally not qualified to give such an opinion, by an internationally recognized appraisal firm or accounting firm) stating that the transaction or series of transactions taken as a whole is fair to us or such Restricted Subsidiary from a financial point of view.

Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

- (i) customary directors' fees, indemnification and similar arrangements, consulting fees, employee salaries bonuses, employment agreements and arrangements, collective bargaining agreements, compensation or employee benefit arrangements, including stock options, stock incentive plans, vacation plans, health and life insurance plans, deferred compensation plans, retirement or savings plans or legal fees, so long as we have approved the terms thereof and deem the services theretofore or thereafter to be performed for such compensation or payments to be fair consideration therefor;
- (ii) any Restricted Payments not prohibited by the "Limitation on Restricted Payments" covenant or the making of an Investment that is a Permitted Investment;
- (iii) loans and advances or guarantees of third party loans to employees (but not any forgiveness of such loans or advances or of indebtedness owed to us or a Restricted Subsidiary of any amounts paid in respect of any such guarantee) to our or any Restricted Subsidiary's officers, directors or employees made in the ordinary course of business *provided* that such loans and advances do not exceed \$10.0 million in the aggregate at any one time outstanding;
- (iv) agreements and arrangements existing on the date of the Indenture and any amendment or modifications thereof, *provided* that any amendments or modifications to the terms thereof are not more disadvantageous to the holders of the Notes and to us or our Restricted Subsidiaries, as applicable, in any material respect than the original agreement as in effect on the date of the Indenture and *provided, further*, that in the case of any transaction having a Fair Market Value of greater than \$10.0 million, such transaction is approved by our Board of Directors;
- (v) any payments or other transactions pursuant to a tax sharing agreement between us and any other Person with which we file a consolidated tax return or with which we are part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;
- (vi) any employment agreements and other compensation arrangements, options to purchase Capital Stock of the Company, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers and employees approved by the Board of Directors and, in each case, any issuances, grants, payments or other fundings pursuant thereto;
- (vii) any issuance or sale of Capital Stock (other than Redeemable Capital Stock) to Affiliates of the Company and the granting of registration rights and other customary rights in connection therewith and any other contributions to the capital of the Company;
- (viii) any transactions with, or for the benefit of (x) any Person (other than us or a Restricted Subsidiary) in which we or any Restricted Subsidiary owns Capital Stock, or (y) any other Person (other than us or a Restricted Subsidiary) who holds Capital Stock in, or is a director or officer of, any Person described in the foregoing clause (x), *provided* that, the Person described in clause (x) or the other Person described above in clause (y), as the case may be, is an Affiliate of ours or a Restricted Subsidiary solely as a result of (I) the ownership by us or a Restricted Subsidiary of Capital Stock in such Person or other Person and/or (II) the ownership by such other Person of Capital Stock in any Person described in clause (x) and/or (III) the holding of a position as a director or officer of any Person described in clause (x);
- (ix) Permitted Investments in Qualified Minority Entities in accordance with clause (q) of the definition of "Permitted Investments," *provided* that no other Investment in such Qualified Minority Entity or in any business in which such Qualified Minority Entity invests was or is made by any direct or indirect parent company of ours or one of our Subsidiaries or by any other entity under common control with us;
- (x) transactions between or among us or any Restricted Subsidiary and any Affiliate made in connection with and incidental to any Permitted Receivables Financing;
- (xi) any transactions pursuant to the ORA Agreements; and
- (xii) transactions between or among us and Restricted Subsidiaries or among Restricted Subsidiaries.

Limitation on Liens

We will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur, assume or suffer to exist any Lien of any kind (except for Permitted Liens) that secures obligations under any Debt or

assign or otherwise convey any right to receive any income, profits or proceeds on or with respect to any of our or any Restricted Subsidiary's property or assets, including any shares of stock or Debt of any Restricted Subsidiary, whether owned at or acquired after the date of the Indentures, or any income, profits or proceeds therefrom unless:

- (a) in the case of any Lien securing Subordinated Debt, our obligations in respect of the Notes and all other amounts due under the Indentures are directly secured by a Lien on such property, assets or proceeds that is senior in priority to such Lien; and
- (b) in the case of any other Lien, our obligations in respect of the Notes and all other amounts due under the Indentures are equally and ratably secured with the obligation or liability secured by such Lien.

Any such Lien in favor of the Trustees and the holders of the Notes will be automatically and unconditionally released and discharged concurrently with (i) the unconditional release of the Lien (other than as a consequence of an enforcement action with respect to the assets subject to such Lien) that gave rise to the Lien in favor of the Trustees and the holders of the Notes, (ii) the full and final payment of all amounts payable by us under the Notes and the Indentures or (iii) legal defeasance or satisfaction and discharge of the Notes as provided below under the captions “—Legal Defeasance or Covenant Defeasance of Indenture” and “—Satisfaction and Discharge.”

Limitation on Sale of Certain Assets

- (1) We will not, and will not permit any Restricted Subsidiary to, engage in any Asset Sale unless:
 - (a) the consideration we receive or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold in the case of any Asset Sale having a Fair Market Value greater than \$50.0 million, as determined by our Board of Directors;
 - (b) at least 75% of the consideration we receive or the relevant Restricted Subsidiary receives in respect of such Asset Sale consists of: (i) cash (including any Net Cash Proceeds received from the conversion within 120 days of such Asset Sale of securities received in consideration of such Asset Sale), (ii) Cash Equivalents, (iii) any securities, notes or other obligations received by the Company or any Restricted Subsidiary that are converted by the Company or such Restricted Subsidiary into cash (to the extent of the cash received) within 120 days following the closing of such Asset Sale, (iv) the assumption by the purchaser of (x) our Debt or Debt of any Restricted Subsidiary (other than Subordinated Debt) as a result of which neither we nor the relevant Restricted Subsidiary remains obligated in respect of such Debt, (y) Debt of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if we are and each other Restricted Subsidiary is released from any guarantee of such Debt as a result of such Asset Sale or (z) any liabilities (as shown on the Company's or a Restricted Subsidiary's balance sheet) of the Company or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) from which the Company and all Restricted Subsidiaries have been validly released, (v) Related Business Assets, or (vi) a combination of the consideration specified in clauses (i) to (v);
 - (c) we deliver an Officer's Certificate to the Trustee certifying that such Asset Sale complies with the provisions described in the foregoing clauses (a) and (b); and
 - (d) such Asset Sale would be permitted under the “Restrictions on Transfer of Our Assets” covenant (if applicable to such Asset Sale).
- (2) If we or any Restricted Subsidiary engages in an Asset Sale, the Net Cash Proceeds of the Asset Sale, within 360 days after such Asset Sale, may be used by us or such Restricted Subsidiary to (a) permanently repay or prepay any then outstanding Debt of us or any Restricted Subsidiary (and to effect a corresponding commitment reduction if such Debt is revolving credit borrowings) owing to a Person other than us or a Restricted Subsidiary and other than Subordinated Debt or Public Debt which is Pari Passu Debt, (b) invest in Related Business Assets, or (c) acquire all or substantially all of the assets of, or a majority of the Voting Stock of, a Person engaged in a Related Business, provided that if the acquisition occurs more than 12 months after receipt of the Net Cash Proceeds such acquisition will satisfy the provisions of this clause if the definitive agreement for such acquisition is executed within such 12 months after the Asset Sale and the acquisition is closed within six months of the execution of the definitive agreement. The amount of such Net Cash Proceeds not so used as set forth in this paragraph (2) constitutes “Excess Proceeds.”
- (3) When the *aggregate* amount of Excess Proceeds exceeds \$75.0 million, we will, within 20 business days, make an offer to purchase (an “Excess Proceeds Offer”) from all holders of Notes and from the holders of any Pari Passu Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the

procedures set forth in the Indenture (and, so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, in accordance with the rules of such exchange, which include a requirement to publish a notice of any such offer in a newspaper having general circulation in Luxembourg (which we expect to be the *Luxemburger Wort*) or the agreements governing any such Pari Passu Debt, the maximum principal amount (in case of the Dollar Notes, expressed as a multiple of \$1,000 *provided* that a Dollar Note of \$150,000 or less may only be redeemed in whole and not in part, and in case of the Euro Notes, €1,000 *provided* that a Euro Note of €100,000 or less may only be redeemed in whole and not in part) of the Notes and any such Pari Passu Debt that may be purchased with the amount of Excess Proceeds. The offer price as to each Note and any such Pari Passu Debt will be payable in cash in an amount equal to (solely in the case of the Notes) 100% of the principal amount of such Note and (solely in the case of Pari Passu Debt) no greater than 100% of the principal amount (or accreted value, as applicable) of such Pari Passu Debt, plus in each case accrued interest, if any, to the date of purchase. So long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, we will publicly announce the results of an Excess Proceeds Offer. Notes purchased in any such offer will be cancelled and will no longer remain outstanding.

To the extent that the aggregate principal amount of Notes and any such Pari Passu Debt tendered pursuant to an Excess Proceeds Offer is less than the amount of Excess Proceeds, we may use the amount of such Excess Proceeds not used to purchase Notes and Pari Passu Debt for general corporate purposes that are not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and any such Pari Passu Debt validly tendered and not withdrawn by holders thereof exceeds the amount of Excess Proceeds, the Notes and any such Pari Passu Debt to be purchased will be selected by the Trustee on a *pro rata* basis (based upon the principal amount of Notes and the principal amount or accreted value of such Pari Passu Debt tendered by each holder). Upon completion of such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero.

- (4) If we are obligated to make an Excess Proceeds Offer, we will purchase the Notes and Pari Passu Debt, at the option of the holders thereof, in whole or in part, equal to, in case of the Dollar Notes, \$150,000 or in integral multiples of \$1,000 in excess thereof or, in the case of the Euro Notes, €100,000 or in integral multiples of €1,000 in excess thereof, on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such holders, or such later date as may be required under the Exchange Act.

Notwithstanding any of the foregoing, we or any Restricted Subsidiary may engage in an Asset Swap and the provisions in (i) clause 1(b) shall not apply to such Asset Swap and (ii) clauses (2), (3) and (4) above shall not apply to such Asset Swap except in respect of any Net Cash Proceeds received by us or any such Restricted Subsidiary; *provided* that we will not, and will not permit any Restricted Subsidiary to, engage in any Asset Swap, unless:

- (a) at the time of entering into such Asset Swap and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;
- (b) with respect to any Asset Swap involving the transfer of assets having a value greater than \$50.0 million, we deliver a resolution of our Board of Directors (set out in an Officer's Certificate to the Trustee) resolving that such Asset Swap has been approved by our Board of Directors;
- (c) with respect to any Asset Swap involving the transfer of assets having a value greater than \$100.0 million, we deliver to the Trustee a written opinion of an investment banking firm of international standing (or, if an investment banking firm is generally not qualified to give such an opinion, by an internationally recognized appraisal firm or accounting firm) stating that the Asset Swap is fair to us or such Restricted Subsidiary from a financial point of view; and
- (d) such Asset Swap would be permitted under the "Restrictions on Transfer of Our Assets" covenant (if applicable to such Asset Swap).

If we are required to make an Excess Proceeds Offer, we will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this covenant (other than the obligation to make an Excess Proceeds Offer pursuant to this covenant), we will comply with such securities laws and regulations and will not be deemed to have breached our obligations described in this covenant by virtue thereof.

Limitation on Sale and Leaseback Transactions

We will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction with respect to any property or assets (whether now owned or hereafter acquired), unless:

- (a) the sale or transfer of such property or assets to be leased is treated as an Asset Sale and effected in compliance with the “Limitation on Sale of Certain Assets” covenant;
- (b) we or such Restricted Subsidiary would be permitted to Incur Debt under the “Limitation on Debt” covenant in the amount of the Attributable Debt Incurred in respect of such Sale and Leaseback Transaction;
- (c) we or such Restricted Subsidiary would be permitted to grant a Lien to secure Debt under the “Limitation on Liens” covenant in the amount of the Attributable Debt in respect of such Sale and Leaseback Transaction; and
- (d) in the case of any Sale and Leaseback Transaction having a Fair Market Value greater than \$10.0 million, the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value, as determined in good faith by our Board of Directors and set out in an Officer’s Certificate delivered to the Trustee, of the property that is the subject of such Sale and Leaseback Transaction.

Notwithstanding the foregoing, nothing shall prevent us or any Restricted Subsidiary from engaging in a Sale and Leaseback Transaction solely between us and any Restricted Subsidiary or solely between Restricted Subsidiaries.

Limitation on Guarantees of Debt by Restricted Subsidiaries

- (1) We will not permit any Restricted Subsidiary, directly or indirectly, to guarantee, assume or in any other manner become liable for the payment of any of our Debt (other than the Notes), unless:
 - (a)
 - (i) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of payment of the Notes by such Restricted Subsidiary on the same terms as the guarantee of such Debt; and
 - (ii) with respect to any guarantee of Subordinated Debt by such Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary’s guarantee with respect to the Notes at least to the same extent as such Subordinated Debt is subordinated to the Notes; and
 - (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against us or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its guarantee.

This paragraph (1) will not be applicable to any guarantees of any Restricted Subsidiary:

- (i) guaranteeing Debt permitted to be incurred under clause (a) of the definition of “Permitted Debt” or existing on the date of the Indenture and any Permitted Refinancing Debt refunding, replacing or refinancing such Debt;
- (ii) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;
- (iii) given to a bank or trust company organized in any member state of the European Union as of the date of the Indenture or any commercial banking institution that is a member of the U.S. Federal Reserve System, (or any branch, Subsidiary or Affiliate thereof) in each case having combined capital and surplus and undivided profits of not less than €500.0 million, whose debt has a rating, at the time such guarantee was given, of at least A by S&P and at least A2 by Moody’s, in connection with the operation of cash management programs established for our benefit or that of any Restricted Subsidiary;
- (iv) that is (w) a Wholly Owned Restricted Subsidiary, (x) was incorporated for the sole purpose of owning or leasing, and limited by its constituent documents to owning or leasing, a single vessel used in our business, (y) does not have any Subsidiaries and (z) does not have any assets other than such vessel and intercompany receivables.

- (2) Notwithstanding the foregoing, any guarantee of the Notes created pursuant to the provisions described in the foregoing paragraph (1) may provide by its terms that it will be automatically and unconditionally released and discharged upon:
- (a) any sale, exchange or transfer, to any Person who is not a Restricted Subsidiary, of all of our Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not prohibited by the Indenture); or
 - (b) (with respect to any guarantee created after the date of the Indenture) the release by the holders of our Debt described in the preceding paragraph of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee), at a time when:
 - (i) no other Debt of ours (other than the Notes) has been guaranteed by such Restricted Subsidiary; or
 - (ii) the holders of all such other Debt that is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee).

Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries

- (1) We will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:
- (a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits;
 - (b) pay any Debt owed to us or any other Restricted Subsidiary;
 - (c) make loans or advances to us or any other Restricted Subsidiary; or
 - (d) transfer any of its properties or assets to us or any other Restricted Subsidiary.
- (2) The provisions of the covenant described in paragraph (1) above will not apply to:
- (a) encumbrances or restrictions imposed by the Notes or the Indenture, or by other indentures governing other Debt we Incur (and if such Debt is guaranteed, by the guarantors of such Debt) ranking equally with the Notes (or any guarantee), *provided* that the encumbrances or restrictions imposed by such other indentures are not materially more restrictive, taken as a whole, than the restrictions imposed by the Indenture;
 - (b) encumbrances or restrictions contained in any agreement in effect on the date of the Indenture in the form contained in such agreement on the date of the Indenture;
 - (c) encumbrances or restrictions imposed by Debt permitted to be Incurred under Credit Facilities or Permitted Debt referred to in clause (a) of paragraph (2) of the covenant described under “—Limitation on Debt” or any guarantees thereof or liens related thereto in accordance with the “Limitation on Debt” covenant; *provided* that in the case of any such encumbrances or restrictions imposed under any Credit Facilities, such encumbrances or restrictions are not materially more restrictive taken as a whole than those imposed by the Existing Credit Facilities;
 - (d) in the case of clause (1)(d) above or in respect of any leases for vessels, customary provisions restricting subletting or assignment of any lease or assignment of any other contract to which we or any Restricted Subsidiary is a party or to which any of our or any Restricted Subsidiary’s respective properties or assets are subject or customary restrictions contained in operating leases for real property and restricting only the transfer of such real property or effective only upon the occurrence and during the continuance of a default in the payment of rent;
 - (e) encumbrances or restrictions contained in any agreement or other instrument of a Person acquired by us or any Restricted Subsidiary in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;
 - (f) encumbrances or restrictions contained in contracts for sales of Capital Stock or assets permitted by the “Limitation on Sale of Certain Assets” covenant with respect to the assets or Capital Stock to be sold

pursuant to such contract or in customary merger or acquisition agreements (or any option to enter into such contract) for the purchase or acquisition of Capital Stock or assets of any of our Restricted Subsidiaries by another Person;

- (g) in the case of clause (1)(d) above or in respect of any leases for vessels or containers, any customary encumbrances or restriction pertaining to an asset subject to a Lien to the extent set forth in the security document governing such Lien or encumbrances or restrictions existing by reason of any Permitted Lien or Lien permitted under the “Limitation on Liens” covenant;
- (h) encumbrances or restrictions, including, without limitation, encumbrances or restrictions on cash or assets in escrow accounts of deposits paid on property used in our business, in each case imposed by applicable law or regulation or by governmental licenses, concessions, franchises or permits;
- (i) encumbrances or restrictions existing under any agreement that extends, renews, Refinances the agreements containing the encumbrances or restrictions in the foregoing clauses (2)(a), (b), (c) and (e); *provided* that the terms and conditions of any such encumbrances or restrictions are not materially less favorable to the holders of the Notes than those under or pursuant to the agreement so Refinanced;
- (j) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under contracts entered into the ordinary course of business;
- (k) customary limitations on the distribution or disposition of assets or property in joint venture agreements entered into the ordinary course of business and in good faith; *provided* that such encumbrance or restriction is applicable only to such Restricted Subsidiary and *provided* that:
 - (i) the encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable agreements (as determined by us); and
 - (ii) we determine that any such encumbrance or restriction will not materially affect our ability to make any anticipated principal or interest payments on the Notes;
- (l) encumbrances or restrictions in connection with purchase money obligations and Capitalized Lease Obligations for property acquired in the ordinary course of business that impose restrictions of the type described in clause (2)(d) above on the transfer of the properties so acquired;
- (m) any encumbrance or restriction arising by reason of customary non-assignment provisions in agreements;
- (n) encumbrances or restrictions with respect to any Permitted Receivables Financing; *provided, however*, that such encumbrances or restrictions are customarily required by the institutional sponsor or arranger of such Permitted Receivables Financing in similar types of documents relating to the purchase of similar receivables in connection with the financing thereof; or
- (o) encumbrances or restrictions in connection with Debt permitted to be Incurred or Permitted Debt Incurred under Productive Assets Financings for ships, containers and other assets used in the ordinary course of our business.

Designation of Unrestricted and Restricted Subsidiaries

- (1) Our Board of Directors may designate any Subsidiary (including newly acquired or newly established Subsidiaries) to be an “Unrestricted Subsidiary” only if:
 - (a) no Default has occurred and is continuing at the time of or after giving effect to such designation;
 - (b) we would be permitted to make a Restricted Payment at the time of designation (assuming the effectiveness of such designation) pursuant to the second paragraph of the “Limitation on Restricted Payments” covenant or a Permitted Investment, in either case in an amount equal to the greater of (i) the net book value of our interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of our interest in such Subsidiary;
 - (c) neither we nor any Restricted Subsidiary has a contract, agreement, arrangement, understanding or obligation of any kind, whether written or oral, with such Subsidiary unless the terms of such contract, arrangement, understanding or obligation are no less favorable to us or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of ours or of any Restricted Subsidiary;
 - (d) such Unrestricted Subsidiary does not own any Capital Stock, Redeemable Stock or Debt of, or own or hold any Lien on any property or assets of, or have any Investment in, us or any other Restricted Subsidiary; and

- (e) such Unrestricted Subsidiary is a Person with respect to which neither we nor any of the Restricted Subsidiaries has any direct or indirect obligation to:
 - (i) subscribe for additional Capital Stock of such Person; or
 - (ii) maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results.
- (2) In the event of any such Designation, we will be deemed to have made an Investment constituting a Restricted Payment pursuant to the "Limitation on Restricted Payments" covenant for all purposes of the Indenture in an amount equal to the greater of (i) the net book value of our interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of our interest in such Subsidiary.
- (3) The Indenture will further provide that neither we nor any Restricted Subsidiary will at any time:
 - (a) provide a guarantee of, or similar credit support to, any Debt of any Unrestricted Subsidiary (including of any undertaking, agreement or instrument evidencing such Debt); *provided* that we may pledge Capital Stock or Debt of any Unrestricted Subsidiary on a nonrecourse basis as long as the pledgee has no claim whatsoever against us other than to obtain such pledged property, except to the extent permitted under the "Limitation on Debt," "Limitation on Restricted Payments" and "Limitation on Transactions with Affiliates" covenants;
 - (b) be directly or indirectly liable for any Debt of any Unrestricted Subsidiary, except to the extent permitted under the "Limitation on Debt," "Limitation on Restricted Payments" and "Limitation on Transactions with Affiliates" covenants; or
 - (c) be directly or indirectly liable for any other Debt having an outstanding principal amount in excess of \$5.0 million individually (other than the Existing Credit Facilities and any Debt Incurred before January 1, 2011, pursuant to Productive Assets Financings for ships, containers and other equipment used in the ordinary course of our business) that provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon (or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity) upon the occurrence of a default with respect to any other Debt that is Debt of an Unrestricted Subsidiary (including any corresponding right to take enforcement action against such Unrestricted Subsidiary).
- (4) Our Board of Directors may designate any Unrestricted Subsidiary as a Restricted Subsidiary if:
 - (a) no Default or Event of Default has occurred and is continuing at the time of or will occur and be continuing after giving effect to such designation; and
 - (b) unless such redesignated Subsidiary shall not have any Debt outstanding (other than Debt that would be Permitted Debt) immediately before and after giving effect to such proposed designation, and after giving pro forma effect to the Incurrence of any such Debt of such redesignated Subsidiary as if such Debt was Incurred on the date of the redesignation, we could Incur €1.00 of additional Debt (other than Permitted Debt) pursuant to the "Limitation on Debt" covenant.
- (5) Any such designation as an Unrestricted Subsidiary or Restricted Subsidiary by our Board of Directors will be evidenced to the Trustee by filing a resolution of our Board of Directors with the Trustee giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions, and giving the effective date of such designation. Any such filing with the Trustee must occur within 45 days after the end of our fiscal quarter in which such designation is made (or, in the case of a designation made during the last fiscal quarter of our fiscal year, within 90 days after the end of such fiscal year).

Limitation on Lines of Business

We will not, and will not permit any Restricted Subsidiary to, engage in any business other than the business of our company and its Restricted Subsidiaries on the date of the Indenture or a Related Business.

Reports to Holders

So long as any Notes are outstanding, we will furnish to the Trustee in English (who, at our expense, will furnish by mail to holders of the Notes):

- (a) within 120 days following the end of each of our fiscal years an annual report containing "Selected Historical Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" sections with scope and content substantially similar to the corresponding sections of this offering circular (after taking into consideration any changes to

our business and operations after the Issue Date), annual audited consolidated balance sheets, statements of income, statements of shareholders equity, statements of cash flows (with notes thereto) for us for the year ended and the prior fiscal year, in each case prepared in accordance with IFRS (which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the Commission) and a description of material differences, if any, between IFRS in effect for the reporting period and on the date of the Indenture;

- (b) within 60 days following the end of the fiscal quarter ending March 31, 2011, and the end of the second and third quarters of 2011 and of the first three fiscal quarters in each of our fiscal years thereafter, quarterly reports containing unaudited consolidated financial statements for us for the quarterly period then ended and comparative unaudited consolidated financial statements for the corresponding period in the prior fiscal year, in each case prepared in accordance with IFRS (which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the Commission) and a description of material differences, if any, between IFRS in effect for the reporting period and on the date of the Indenture, together with an operating and financial review for such quarterly period; and
- (c) promptly from time to time after the occurrence of an event required to be reported therein, reports containing substantially the same information as would be required to be contained in a report submitted to the Commission on Form 6-K (as in effect on the date of the Indenture).

In addition, so long as the Notes are restricted securities (as defined in Rule 144 under the Securities Act) and during any period during which we are not subject to the reporting requirements of the Exchange Act or exempt therefrom pursuant to Rule 12g3-2(b), we will furnish to any holder or beneficial owner of Notes initially offered and sold in the United States to “qualified institutional buyers” pursuant to Rule 144A, and to prospective purchasers in the United States designated by such holder or beneficial owners, upon request, the information required to be delivered pursuant to Rule 144A(d)(4).

We will also make available, and, unless amended and replaced, will not withdraw or remove, copies of all reports furnished with the Trustee and if and so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such stock exchange so require, copies of such reports furnished with the Trustee will also be made available at the specified office of the Luxembourg Paying Agent.

Restriction on Transfer of Our Assets

We will not sell, convey, transfer, swap or otherwise dispose of our assets or property to any of our Subsidiaries, except for sales, conveyances, transfers or other dispositions of assets made in the ordinary course of business, of assets that are obsolete or are no longer used or useful in our business, of assets in connection with any Qualified Lease Financing, of assets in connection with any Permitted Receivables Financing pursuant to clause (m) of the definition of Permitted Debt, of all or substantially all of our assets in accordance with “—Consolidation, Merger and Sale of Assets,” or of up to \$25 million in any other assets.

Consolidation, Merger and Sale of Assets

We will not, in a single transaction or through a series of transactions, consolidate with or merge with or into any Person or sell, assign, convey, transfer, lease or otherwise dispose of, or take any action pursuant to any resolution passed by our Board of Directors or shareholders with respect to a demerger or division pursuant to which we would dispose of, all or substantially all of our properties and assets to any Person or Persons (including a Restricted Subsidiary) or permit any Restricted Subsidiary to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of our properties and assets and those of our Restricted Subsidiaries on a consolidated basis to any other Person or Persons. The previous sentence will not apply if at the time of, and immediately after giving effect to, any such transaction or series of transactions:

- (a) either we will be the continuing corporation or the Person (if other than us) formed by such consolidation or into which we or such Restricted Subsidiary is merged, demerged or divided, or the Person that acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all our properties and assets and those of the Restricted Subsidiaries on a consolidated basis (the “Surviving Entity”);
 - (i) will be a corporation duly organized and validly existing under the laws of any member state of the European Union as of the date of the Indenture, the United States of America, any state thereof, or the District of Columbia; and

- (ii) will expressly assume, by a supplemental Indenture in form satisfactory to the Trustee, our obligations under the Notes and the Indenture, and the Notes and the Indenture will remain in full force and effect as so supplemented;
- (b) immediately after giving effect to such transaction or series of transactions on a pro forma basis (and treating any obligation of our company or any Restricted Subsidiary Incurred in connection with or as a result of such transaction or series of transactions as having been Incurred by us or such Restricted Subsidiary at the time of such transaction), no Default or Event of Default will have occurred and be continuing;
- (c) immediately before and immediately after giving effect to such transaction or series of transactions on a pro forma basis (on the assumption that the transaction or series of transactions occurred on the first day of the four-quarter period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such pro forma calculation), either (i) we (or the Surviving Entity if we are not the continuing obligor under the Indenture) could Incur at least \$1.00 of additional Debt (other than Permitted Debt) under the provisions of the “Limitation on Debt” covenant or (ii) we (or the Surviving Entity if we are not the continuing obligor under the Indenture) have a Consolidated Fixed Charge Coverage Ratio equal to or greater than such ratio of our company and the Restricted Subsidiaries immediately prior to such substitution, transaction or series of transactions;
- (d) if any of our or any Restricted Subsidiary’s property or assets would thereupon become subject to any Lien, the provisions of the “Limitation on Liens” covenant are complied with; and
- (e) we (or the Surviving Entity if we are not the continuing obligor under the Indenture) will have delivered to the Trustee, in form and substance satisfactory to the Trustee, an Officer’s Certificate (attaching computations to demonstrate compliance with clauses (c) and (d) above) and an opinion of independent counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with and that the Indenture and the Notes constitute legal, valid and binding obligations of the continuing person, enforceable in accordance with their terms.

The Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of, our company under the Indenture, but, in the case of a lease of all or substantially all of our assets, we will not be released from the obligation to pay the principal of and interest, and Additional Amounts, if any, on the Notes.

Nothing in the Indenture will prevent any Wholly Owned Restricted Subsidiary from consolidating with, merging into or transferring all or substantially all of its properties and assets to us or any other Wholly Owned Restricted Subsidiary.

Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

We will publish a notice of any consolidation, merger or sale of assets described above in accordance with the provisions of the Indenture described under “—Notices” and, for so long as the Notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and the rules of such exchange so require, notify such exchange of any such consolidation, merger or sale.

Events of Default

- (1) Each of the following will be an “Event of Default” under the Indenture:
 - (a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Note;
 - (b) default in the payment of the principal of or premium, if any, on any Note at its Maturity (upon acceleration, optional or mandatory redemption, if any, required repurchase or otherwise);
 - (c) failure to comply with the provisions of “—Certain Covenants—Consolidation, Merger and Sale of Assets;”

- (d) failure to make or consummate an offer in accordance with the provisions of “—Certain Covenants—Limitation on Sale of Certain Assets;”
 - (e) failure to make or consummate a Change of Control Offer in accordance with the provisions of “—Purchase of Notes upon a Change of Control;”
 - (f) failure to comply with any covenant or agreement of ours or of any Restricted Subsidiary that is described under “—Certain Covenants” (other than the failure to comply with any of the covenants and agreements specified in clause (a), (b), (c), (d) or (e) above) and such failure continues for a period of 30 days or more after the written notice specified in clause (2) below;
 - (g) failure to comply with any covenant or agreement of ours or of any Restricted Subsidiary that is contained in the Indenture (other than the failure to comply with any of the covenants and agreements specified in clause (a), (b), (c), (d), (e) or (f) above) and such failure continues for a period of 60 days or more after the written notice specified in clause (2) below;
 - (h) default under the terms of any instrument evidencing or securing our Debt or Debt of any Restricted Subsidiary having an outstanding principal amount in excess of \$50.0 million individually that results in the acceleration of the payment of such Debt or constitutes the failure to pay such Debt at final maturity thereof (other than by regularly scheduled required prepayment) and such failure to make any payment has not been waived or the maturity of such Debt has not been extended, and in either case the total amount of such Debt unpaid or accelerated exceeds \$50.0 million or its equivalent at the time (other than, in any such case, a Contested Breach);
 - (i) one or more final judgments, orders or decrees (not subject to appeal and not covered by insurance) shall be rendered against us or any Restricted Subsidiary, individually in an amount, after deduction of any proceeds received from insurance coverage of such matter, in excess of \$50.0 million, and shall not have been discharged and there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree was not (by reason of pending appeal or otherwise) in effect; or
 - (j) the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to us or any Restricted Subsidiary that is a Significant Subsidiary.
- (2) If an Event of Default (other than as specified in clause (1)(j) above) occurs and is continuing, the holders of not less than 25% in aggregate principal amount of the Notes then outstanding by written notice to us and to the Trustee may, and the Trustee, upon the written request of such holders, shall, declare the principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on all of the outstanding Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes will become immediately due and payable.
- (3) If an Event of Default specified in clause (1)(j) above occurs and is continuing, then the principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on all of the outstanding Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes.
- (4) At any time after a declaration of acceleration under the Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to us and the Trustee, may rescind such declaration and its consequences if:
- (a) we have paid or deposited with the Trustee a sum sufficient to pay:
 - (i) all overdue interest and Additional Amounts on all Notes then outstanding;
 - (ii) all unpaid principal of and premium (if any) on any outstanding Notes that have become due otherwise than by such declaration of acceleration and accrued and unpaid interest thereon at the rate borne by the Notes;
 - (iii) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes; and
 - (iv) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;
 - (b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

- (c) all Events of Default, other than the non-payment of amounts of principal of, premium (if any) and any Additional Amounts and interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

- (5) The holders of not less than a majority in aggregate principal amount of the outstanding Notes may, on behalf of the holders of all the Notes, waive any existing Defaults or Events of Default under the Indenture, except a default:
 - (a) in the payment of the principal of, premium, if any, and Additional Amounts or interest on any note; or
 - (c) in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Note outstanding.
- (6) No holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder, unless the holders of at least 25% in aggregate principal amount of the outstanding Notes have made a written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as Trustee under the Notes and the Indenture, the Trustee has failed to institute such proceeding within 30 days after receipt of such notice and the Trustee within such 30-day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.
- (7) If a Default or an Event of Default occurs and is continuing and notice of such Event of Default has been delivered to the corporate trust office of the Trustee, the Trustee will mail to each holder of the Notes notice of the Default or Event of Default within 15 business days after its occurrence or receipt of notice by the Trustee, whichever is later.
- (8) We are required to furnish to the Trustee annual statements as to our performance, and the performance of any Restricted Subsidiaries of our respective obligations under the Indenture and as to any default in such performance. We are also required to notify the Trustee (in compliance with the notice provisions of the Indenture) within 30 business days of our knowledge of the occurrence of any Default.

Legal Defeasance or Covenant Defeasance of Indenture

The Indenture will provide that we may, at our option and at any time prior to the Stated Maturity of the Notes, elect to have our obligations discharged with respect to the outstanding Notes (“legal defeasance”). Legal defeasance means that we will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes except as to:

- (a) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due,
- (b) our obligations to issue temporary Notes, register the transfer or exchange of any Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments in trust,
- (c) the rights, powers, trusts, duties and immunities of the Trustee and our obligations in connection therewith, and
- (d) the legal defeasance provisions of the Indenture.

In addition, we may, at our option and at any time, elect to have our obligations released with respect to certain covenants set forth in the Indenture (“covenant defeasance”), and thereafter any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to the Notes. In the event covenant defeasance occurs, certain events described under “Events of Default” will no longer constitute an Event of Default with respect to the Notes. These events do not include events relating to non-payment, bankruptcy, receivership and insolvency. We may exercise our legal defeasance option regardless of whether we previously exercised covenant defeasance.

In order to exercise either legal defeasance or covenant defeasance:

- (a) We must irrevocably deposit or cause to be deposited in trust by 10:00 a.m. at least one Business Day before the required payment with the Trustee, (i) for the benefit of the holders of the Dollar Notes, cash in dollars, U.S. Government Obligations or a combination thereof, or (ii) for the benefit of the holders

of the Euro Notes, cash in euros, European Government Obligations or a combination thereof, in each case, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of, premium, if any, and interest, on the outstanding Notes on the Stated Maturity, if, at or prior to electing either legal defeasance or covenant defeasance, we must have delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes of such principal, premium, if any, or installment of interest;

- (b) in the case of legal defeasance, we must have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee stating that (x) we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (y) since the date of the Indenture, there has been a change in applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;
- (c) in the case of legal defeasance, we must have delivered to the Trustee an opinion of counsel to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes of any Relevant Taxing Jurisdiction as a result of such legal defeasance and will be subject to tax in each Relevant Taxing Jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;
- (d) in the case of covenant defeasance, we must have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee to the effect that the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;
- (e) in the case of covenant defeasance, we must have delivered to the Trustee an opinion of counsel to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes of any Relevant Taxing Jurisdiction as a result of such covenant defeasance and will be subject to tax of any Relevant Taxing Jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;
- (f) no Default or Event of Default will have occurred and be continuing on the date of such deposit or, insofar as bankruptcy or insolvency events described in clause (1)(j) of “—Events of Default” above are concerned, at any time during the period ending on the 123rd day after the date of such deposit;
- (g) such legal defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit), the Indenture or any material agreement or instrument to which we or any Restricted Subsidiary is a party or by which we or any Restricted Subsidiary is bound;
- (h) we must have delivered to the Trustee an opinion of independent counsel in the country of our incorporation to the effect that after the 123rd day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors’ rights generally and an opinion of independent counsel that the Trustee shall have a perfected security interest in such trust funds for the ratable benefit of the holders of the Notes;
- (i) we must have delivered to the Trustee an Officer’s Certificate stating that the deposit was not made by us with the intent of preferring the holders of the Notes with the intent of defeating, hindering, delaying or defrauding our creditors or others, or removing its assets beyond the reach of its creditors or increasing our debts to the detriment of our creditors;
- (j) no event or condition shall exist that would prevent us from making payments of the principal of, premium, if any, and interest on the Notes on the date of such deposit or at any time ending on the 123rd day after the date of such deposit; and
- (k) we will have delivered to the Trustee an Officer’s Certificate and an opinion of counsel, each stating that all conditions precedent provided for in the Indenture relating to either the legal defeasance or the covenant defeasance, as the case may be, have been complied with.

If the funds deposited with the Trustee to effect covenant defeasance are insufficient to pay the principal of, premium, if any, and interest on the Notes when due because of any acceleration occurring after an Event of Default, then we will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes and our obligations with respect to Additional Amounts as expressly provided for in the Indenture) when

- (a) we have irrevocably deposited or caused to be deposited with the Trustee as trust funds (A) in trust for such purpose solely for the benefit of the holders of the Dollar Notes an amount in dollars or U.S. Government Obligations, or (B) in trust for such purpose solely for the benefit of the holders of the Euro Notes an amount in euros or European Government Obligations, in each case, sufficient to pay and discharge the entire Debt on such Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or redemption date, as the case may be and we have delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of Notes at Maturity or on the redemption date, as the case may be and either:
 - (i) all the Notes theretofore authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by us and thereafter repaid to us or discharged from such trust as provided for in the Indenture) have been delivered to the Trustee for cancellation; or
 - (ii) all Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable, (y) will become due and payable at Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements for the giving of notice of redemption by the Trustee in our name, and at our expense; and
- (b) we have paid or caused to be paid all sums payable by us under the Indenture; and
- (c) we have delivered to the Trustee an Officer's Certificate stating that:
 - (i) all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; and
 - (ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture or any other agreement or instrument to which we or any Subsidiary is a party or by which we or any Subsidiary is bound.

Unclaimed money, prescription

The Trustee and the Paying Agent shall pay to the Issuer upon request any money held by them for the payment of principal, premium, if any, interest or Additional Amounts, if any, that remains unclaimed for two years; provided that the Trustee or Paying Agent before being required to make any payment may cause to be (a) published (i) in the *Financial Times* and *The Wall Street Journal* or another leading newspaper in each of London, England and New York, New York, as the case may be, (ii) through the newswire service of Bloomberg or another international newswire service with similar distribution selected by the Issuer and notified to the Trustee and (iii) if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and the rules of such exchange so require, in the *Luxemburger Wort* (or another leading newspaper having a general circulation in Luxembourg) or the website of the Luxembourg Stock Exchange (www.bourse.lu) or (b) mailed to each Holder entitled to such money at such Holder's address (as set forth in the Security Register), notice that such money remains unclaimed and that after a date specified therein (which shall be at least 30 days from the date of such publication or mailing) any unclaimed balance of such money then remaining will be repaid to the Issuer. After payment to the Issuer, Holders entitled to such money must look to the Issuer for payment as general creditors unless an applicable law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease. Other than as set forth in this paragraph, the Indenture does not provide for any prescription periods for the payment of principal of, premium, if any, or interest on, the Notes.

Amendments and Waivers

The Indenture will contain provisions permitting us, any Guarantor of the Notes and the Trustee to enter into a supplemental Indenture without the consent of the holders of the Notes for certain limited purposes, including, among other things, curing ambiguities, defects or inconsistencies or making any change that does not adversely affect the rights of any holder of the Notes in any material respect. With the consent of the holders of not less than a majority in aggregate principal amount of the Notes then outstanding, we, any Guarantor of the Notes and the Trustee are permitted to amend or supplement the Indenture; *provided* that no such modification or

amendment may, without the consent of the holder of each outstanding Note affected thereby:

- (a) change the Stated Maturity of the principal of, or any installment of, or Additional Amounts or interest on, any Note;
- (b) reduce the principal amount of any Note (or Additional Amounts or premium, if any) or the rate of interest on any Note;
- (c) change the coin or currency in which the principal of any note or any premium or any Additional Amounts or the interest thereon is payable;
- (d) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date or Change of Control Purchase Date, in the case of a Change of Control Offer);
- (e) amend, change or modify our obligation to make and consummate an Excess Proceeds Offer with respect to any Asset Sale in accordance with the "Limitation on Sale of Certain Assets" covenant or our obligation to make and consummate a Change of Control offer in the event of a Change of Control in accordance with the provisions under "Purchase of Notes upon a Change of Control," including in each case, amending, changing or modifying any definition relating thereto after such obligation has arisen;

- (f) reduce the percentage in principal amount of Notes whose holders must consent to any amendment, supplement or waiver of provisions of the Indenture;
- (g) make any change to the provisions of the Indenture described under “—Ranking” or any other provisions of the Indenture affecting the ranking of the Notes, in each case in a manner that adversely affects the rights of the holders of the Notes; or
- (h) make any change in the provisions of the Indenture described under “—Additional Amounts” that adversely affects the rights of any holder of the Notes or amend the terms of the Notes or the Indenture in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless we agree to pay Additional Amounts (if any) in respect thereof in the supplemental Indenture;

and further *provided* that no such modification or amendment may, without the consent of the holders of at least 90% in aggregate principal amount of the Notes, make any change to the provisions of the Escrow Agreement or to the provisions of the Indenture relating to the Issuer’s obligation to redeem the Notes in a Special Redemption.

Notwithstanding the foregoing, without the consent of any holder of the Notes, we, any Guarantor of the Notes and the Trustee may modify or amend the Indenture:

- (i) to evidence the succession of another Person to our company and the assumption by any such successor of the covenants in the Indenture and in the Notes in accordance with “—Certain Covenants—Consolidation, Merger and Sale of Assets;”
- (ii) to add to our covenants or to add any other obligor under the Notes for the benefit of the holders of the Notes or to surrender any right or power conferred upon us or any other obligor under the Notes, as applicable, in the Indenture or in the Notes;
- (iii) to cure any ambiguity, or to correct or supplement any provision in the Indenture or the Notes that may be defective or otherwise inconsistent with any other provision in the Indenture or the Notes or make any other provisions with respect to matters or questions arising under the Indenture or the Notes; *provided* that, in each case, such provisions shall not adversely affect the interest of the holders of the Notes in any material respect;
- (iv) to add a Guarantor on the terms required by the Indenture;
- (v) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture;
- (vi) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the holders of the Notes as additional security for the payment and performance of our or any Guarantor’s obligations under the Indenture, in any property, or assets, including any that are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to the Indenture or otherwise;
- (vii) to conform the text of the Indenture or the Notes to any provision of this “Description of Notes” to the extent that such provision in this “Description of Notes” was intended to be a verbatim recitation of a provision of the Indenture or Notes; or
- (viii) to enter into an acknowledgement of the subordination of any Additional ORA, as contemplated under “—Ranking”.

The holders of a majority in aggregate principal amount of the Notes outstanding may waive compliance with certain restrictive covenants and provisions of the Indenture.

Notices

Notices regarding the Notes will be:

- (a) notified to the Trustee and, if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, published in the *Luxemburger Wort* (or another leading newspaper having a general circulation in Luxembourg) or the website of the Luxembourg Stock Exchange (www.bourse.lu); and
- (b) in the case of certificated Notes, mailed to holders of such Notes by first-class mail at their respective addresses as they appear on the registration books of the registrar.

Notices given by first-class mail will be deemed given five calendar days after mailing and notices given by publication will be deemed given on the first date on which publication is made.

If and so long as the Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange.

The Trustee

The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. If an Event of Default has occurred and is continuing, the Trustee, at the direction of holders of not less than 25% in aggregate principal amount of the Notes then outstanding, will exercise such rights and powers vested in it under the Indenture.

The Trustee will be entitled to require all Paying Agents to act under its direction following the occurrence of an Event of Default. The Indenture will contain provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified to its satisfaction.

Governing Law

The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Certain Definitions

Certain terms used in this Description of Notes are defined as follows:

“Acquired Debt” means Debt of a Person

- (a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with us or any of the Restricted Subsidiaries; or
- (b) assumed in connection with the acquisition of assets from such Person, in each case *provided* that such Debt was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be.

Acquired Debt will be deemed to be Incurred on the date the acquired Person becomes a Restricted Subsidiary or the date of the related acquisition of assets from any Person, as the case may be.

“Additional ORA” means (i) up to \$250 million in aggregate principal amount of subordinated bonds mandatorily convertible into preference shares of the Company that may be issued by the Company in accordance with the terms of the ORA Agreements on substantially the same terms as the ORA and (ii) up to \$150 million of subordinated bonds mandatorily convertible into preference shares of the Company with substantially the same terms as the ORA (or any similar instrument on terms and conditions not materially disadvantageous to holders of the Notes compared to the ORA) that may be issued by the Company, in case of each of clause (i) and (ii), together with any preference shares issued in connection therewith (*provided* the terms and conditions of such preference shares are not materially disadvantageous to holders of the Notes compared to the preference shares issuable pursuant to the ORA).

“Affiliate” means, with respect to any specified Person,

- (a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person;
- (b) any other Person that owns, directly or indirectly, 10% or more of such specified Person’s Capital Stock or any officer or director of any such specified Person or other Person or, with respect to any natural Person, any Person having a relationship with such Person by blood, marriage or adoption not more remote than first cousin; or
- (c) any other Person 10% or more of the Voting Stock of which is beneficially owned or held, directly or indirectly by such specified Person.

For the purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling,” “controlled” have meanings correlative to the foregoing.

“Asset Sale” means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or Sale and Leaseback Transaction) (collectively, a “transfer”), directly or indirectly, in one or a series of related transactions, of:

- (a) any Capital Stock of any Restricted Subsidiary (other than directors’ qualifying shares and, to the extent required by local ownership laws in foreign countries, shares owned by foreign shareholders);
- (b) all or substantially all of the properties and assets of any division or line of our or any Restricted Subsidiary’s business; or
- (c) any other of our or any Restricted Subsidiary’s properties or assets, other than in the ordinary course of business.

For the purposes of this definition, the term “Asset Sale” does not include any transfer of properties or assets:

- (i) that is governed by the provisions of the Indenture described under “—Certain Covenants—Consolidation, Merger and Sale of Assets” or “Purchase of Notes upon a Change of Control”;
- (ii) by us to any Wholly Owned Restricted Subsidiary, or by any Restricted Subsidiary to us or any Wholly Owned Restricted Subsidiary in accordance with the terms of the Indenture;
- (iii) any assets representing ships, equipment and facilities that are no longer useful in the conduct of our and any Restricted Subsidiary’s business and that is disposed of in what we reasonably believe to be the ordinary course of business;
- (iv) that constitutes an Asset Swap effected in compliance with “—Certain Covenants—Limitation on Sale of Certain Assets;”
- (v) the Fair Market Value of which in the aggregate does not exceed \$50.0 million in any transaction or series of related transactions;
- (vi) for purposes of “—Certain Covenants—Limitation on Sale of Certain Assets” only, the making of a Permitted Investment or a disposition subject to “—Certain Covenants—Limitation on Restricted Payments;”
- (vii) that is a disposition constituting or resulting from the enforcement of a Lien or the liquidation, administration or winding up of a Restricted Subsidiary;
- (viii) that is a sale or disposition deemed to occur in connection with granting or creating a Permitted Lien;
- (ix) that is a disposition of Capital Stock, Debt or other securities of an Unrestricted Subsidiary;
- (x) that is a sale of cash or Cash Equivalents;
- (xi) that constitutes a sale or disposition of assets received by the Company or any Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Company or any Restricted Subsidiary;
- (xii) that is a sale and leaseback transaction, in compliance with “—Certain Covenants—Limitation on Sale and Leaseback Transactions,” with respect to any assets within 90 days of the acquisition of such assets;
- (xiii) that is a disposition of accounts receivable and related assets in a Permitted Receivables Financing; or
- (xiv) that is a Vessel Sharing Arrangement.

“Asset Swap” means the concurrent purchase and sale or exchange of Related Business Assets between us or any Restricted Subsidiary and another Person (other than a sale, disposition or transfer that is governed by the provisions of the Indenture described under “—Certain Covenants—Consolidation, Merger and Sale of Assets”); provided that Vessel Sharing Arrangements shall not be considered Asset Swaps.

“Attributable Debt” means, with respect to any lease at the time of determination, the present value (discounted at the interest rate implicit in the lease determined in accordance with IFRS or, if not known, at our incremental borrowing rate) of the obligations of the lessee of the property subject to such lease for rental payments during the remaining term of the lease included in such transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended, or until the earliest date on which the lessee may terminate such lease without penalty or upon payment of penalty (in which case the rental payments shall include such penalty), after excluding from such rental payments all amounts required to be paid on account of maintenance and repairs, ship operating expenses, insurance, taxes, assessments, water, utilities and similar charges.

“Average Life” means, as of the date of determination with respect to any Debt, the quotient obtained by dividing

- (a) the sum of the products of:
 - (i) the number of years (calculated to the nearest one-twelfth) from the date of determination to the date or dates of each successive scheduled principal payment of such Debt multiplied by
 - (ii) the amount of each such principal payment by;
- (b) the sum of all such principal payments.

“Board of Directors” means the board of directors (*Conseil d’Administration*) of the Company, provided, that where any action is provided to be or may be taken by the board of directors, such action may be taken by the *Directeur Général* of the Company to the extent generally authorized by the board of directors to take such action.

“Bund Rate” means, as of any redemption date, the rate *per annum* equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (1) “Comparable German Bund Issue” means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to April 15, 2015, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to April 15, 2015, *provided, however*, that, if the period from such redemption date to April 15, 2015 is less than one year, a fixed maturity of one year shall be used;
- (2) “Comparable German Bund Price” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or If the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (3) “Reference German Bund Dealer” means any dealer of German *Bundesanleihe* securities appointed by the Issuer in good faith; and
- (4) “Reference German Bund Dealer Quotations” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany time on the third Business Day preceding the relevant date.

“Capital Stock” means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person’s equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets, of such Person and any rights (other than debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for or convertible into such Capital Stock, whether now outstanding or issued after the date of the Indenture; *provided* that Capital Stock shall not include the preference shares of the Company issuable upon conversion of the ORA or any Additional ORA.

“Capitalized Lease Obligation” means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be classified and accounted for as a capital lease obligation under IFRS, and, for purposes of the Indenture, the amount of such obligation at any date will be the capitalized amount thereof at such date, determined in accordance with IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty. Any reference to any Capitalized Lease Obligation will include (i) any put or call option or charter arrangements entered into by us, any Restricted Subsidiary or the lessor under such Capitalized Lease Obligation in connection with such Capitalized Lease Obligation and (ii) any Qualified Lease Financing.

“Cash Equivalents” means any of the following:

- (a) any evidence of Debt denominated in euro or dollars with a maturity of 180 days or less from the date of acquisition issued or directly and fully guaranteed or insured by any member state of the European Union as of the date of the Indenture, the United States of America, any state thereof or the District of Columbia, or any agency or instrumentality thereof (each, an “Approved Jurisdiction”);
- (b) overnight bank deposits, time deposit accounts, certificates of deposit, money market deposits or bankers’ acceptances denominated in euro or dollars with a maturity of 180 days or less from the date of acquisition of a bank or trust company organized in any member state of the European Union or any commercial banking institution that is a member of the U.S. Federal Reserve System, in each case having combined capital and surplus and undivided profits of not less than €500.0 million, whose debt has a rating, at the time as any investment is made therein, of at least A by S&P and at least A2 by Moody’s;
- (c) commercial paper with a maturity of 180 days or less from the date of acquisition issued by a corporation that is not our or any Restricted Subsidiary’s Affiliate and is organized under the laws of any member state of the European Union as of the date of the Indenture, the United States of America, any state thereof, or the District of Columbia and, at the time the investment is made, rated at least A-1 by S&P or at least P-1 by Moody’s;
- (d) repurchase obligations with a term of not more than seven days for underlying securities of the type described in (a) above entered into with a financial institution meeting the qualifications described in clause (b) above; and
- (e) Investments in money market mutual funds at least 95% of the assets of which constitute Cash Equivalents of the kind described in clauses (a) through (d) above.

“Change of Control” has the meaning given to such term under “—Purchase of Notes upon a Change of Control.”

“Commission” means the U.S. Securities and Exchange Commission.

“Consolidated Adjusted Net Income” means, for any period, our consolidated net income (or loss) for such period on a consolidated basis as determined in accordance with IFRS, adjusted by excluding (to the extent included in such consolidated net income or loss), without duplication:

- (a) any net after-tax extraordinary gains or losses;
- (b) any net after-tax gains attributable to asset sales made other than in the ordinary course of business;
- (c) the portion of net income or loss of any Person (other than us or a Restricted Subsidiary), including Unrestricted Subsidiaries on a consolidated basis, in which we or any Restricted Subsidiary has an equity ownership interest, other than the amount of dividends or other distributions and of management or other similar fees actually paid to us or any Restricted Subsidiary in cash during such period, *provided* that our equity in a net loss of any such Person shall be included in Consolidated Adjusted Net Income to the extent funded by us or a Restricted Subsidiary;
- (d) the net income or loss of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions, directly or indirectly, to us, by operation of the terms of such Restricted Subsidiary’s charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders, other than those restrictions that would be permitted under clauses (a), (c), (l) and (o) of paragraph 2 of the “Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries” covenant or in any agreement that Refinances the agreements containing the restrictions in such clauses (a), (c), (l) and (o), except that:
 - (i) our equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Adjusted Net Income up to the aggregate amount of cash distributed by such Restricted Subsidiary during such period to us or another Restricted Subsidiary as a dividend, management or other similar fees or any other distribution (subject, in the case of a dividend or other distribution to another Restricted Subsidiary to the limitation contained in this clause); and
 - (ii) our equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Adjusted Net Income to the extent funded by us or another Restricted Subsidiary;

- (e) net after-tax gains attributable to the termination of any employee pension benefit plan;
- (f) any restoration to net income of any contingency reserve, except to the extent provision for such reserve was made out of income accrued at any time following the date of the Indenture;
- (g) any net gain arising from the acquisition or extinguishment, under IFRS, of our or any Restricted Subsidiary's Debt by the issuer of such Debt;
- (h) the net income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued), except that any such net loss may be excluded only after the date of the actual disposal of such operations;
- (i) any gains (but not losses) from Currency Agreements;
- (j) any increase in amortization or depreciation resulting from the application of purchase accounting;
- (k) the cumulative effect of a change in accounting principles after the date of the Indenture; and
- (l) any net after-tax gains or losses attributable to allowances or reversals of allowances related to the impairment of vessels or containers to the extent allocated to the caption "Other income (expense)" or other similar caption appearing on our income statement.

"Consolidated Fixed Charge Coverage Ratio" of our company means, for any period, the ratio of:

- (a) the sum of Consolidated Adjusted Net Income, plus in each case to the extent excluded in computing Consolidated Adjusted Net Income for such period:
 - (i) Consolidated Interest Expense;
 - (ii) Consolidated Tax Expense;
 - (iii) Consolidated Non-cash Charges, less all non-cash items increasing Consolidated Adjusted Net Income for such period and less all cash payments during such period relating to non-cash charges that were added back to Consolidated Adjusted Net Income in determining the Consolidated Fixed Charge Coverage Ratio in any prior period;
 - (iv) Restructuring Charges; and
 - (v) expenses related to proposed or consummated equity offerings, debt incurrences, acquisitions, investments, dispositions, recapitalizations and the issuance of the notes offered hereby;
- (b) to the sum of:
 - (i) Consolidated Interest Expense; and
 - (ii) cash and non-cash dividends due (whether or not declared) on our and any Restricted Subsidiary's Preferred Stock (to any Person other than us and any Wholly Owned Restricted Subsidiary), in each case for such period;

provided that:

- (w) if we or any Restricted Subsidiary has Incurred any Debt since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio is an Incurrence of Debt or both, Consolidated Adjusted Net Income and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Debt as if such Debt had been Incurred on the first day of such period and the discharge of any other Debt repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Debt as if such discharge had occurred on the first day of such period;
- (x) if, since the beginning of such period, we or any Restricted Subsidiary shall have made any Asset Sale other than in the ordinary course of business, Consolidated Adjusted Net Income for such period shall be reduced by an amount equal to Consolidated Adjusted Net Income (if positive) directly attributable to the assets that are the subject of such Asset Sale for such period, or increased by an amount equal to Consolidated Adjusted Net Income (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to Consolidated Interest Expenses directly attributable to any Debt of ours or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to us and the continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, Consolidated Interest Expense for such period directly attributable to the Debt of such Restricted Subsidiary to the extent we and the continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);

- (y) if, since the beginning of such period we or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated Adjusted Net Income and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Debt) as if such Investment or acquisition occurred on the first day of such period; and
- (z) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into us or any Restricted Subsidiary) shall have made any Asset Sale other than in the ordinary course of business or any Investment that would have required an adjustment pursuant to clause (x) or (y) if made by us or a Restricted Subsidiary during such period, Consolidated Adjusted Net Income and Consolidated Interest Expenses for such period will be calculated after giving pro forma effect thereto as if such Asset Sale or Investment occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a responsible financial officer or accounting officer of the Company.

If any Debt bears interest at a floating rate and is being given pro forma effect, the interest expense in respect of such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt for a period equal to the remaining term of such Interest Rate Agreement).

“Consolidated Interest Expense” means, for any period, without duplication and in each case determined on a consolidated basis in accordance with IFRS, the sum of:

- (a) our and the Restricted Subsidiaries’ interest expense (net of interest income) for such period (for the avoidance of doubt, the entire amount of interest expense and dividends under the ORA will be treated as interest expense), excluding amortization or write off of debt issuance costs and deferred financing fees, commissions and expenses, but including, without limitation,
 - (i) amortization of debt discount;
 - (ii) the net cost of Interest Rate Agreements and Currency Agreements (including amortization of discounts);
 - (iii) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and similar transactions; and
 - (iv) the interest portion of any deferred payment obligation; plus
- (b) the interest component of our and the Restricted Subsidiaries’ Capitalized Lease Obligations accrued and/or scheduled to be paid or accrued during such period which, for the avoidance of doubt, shall not include time charters or bareboat charters; plus
- (c) our and the Restricted Subsidiaries’ non-cash interest and interest that was capitalized during such period; plus
- (d) the interest on Debt of another Person that is guaranteed by us or any Restricted Subsidiary or secured by a Lien on our or any Restricted Subsidiary’s assets, whether or not such interest is paid by us or such Restricted Subsidiary.

“Consolidated Net Tangible Fixed Assets” means the net book value of our and our Subsidiaries’ tangible fixed assets, on a consolidated basis, as stated on our most recent consolidated quarterly balance sheet, computed in accordance with IFRS.

“Consolidated Non-cash Charges” means, for any period, the aggregate depreciation, amortization and other non-cash expenses of our company and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with IFRS (excluding any such non-cash charge that requires an accrual of or reserve for cash charges for any future period).

“Consolidated Tax Expense” means, for any period with respect to any Relevant Taxing Jurisdiction, the provision for all national, local and foreign federal, state or other income taxes of our company and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with IFRS.

“Contested Breach” means any time where the Company has received notification from the ORA holders of a material breach of the Shareholders Agreement by the Company (an “ORA Material Breach”) and the Company promptly notifies the ORA holders in writing that it contests any such ORA Material Breach in good faith and on reasonable grounds (after taking legal advice if necessary), where necessary by appropriate court or arbitral proceedings and maintains adequate reserves in respect of any cash redemption or other repurchase of the ORA as may be required by applicable accounting standards, provided always that it will cease to qualify as a Contested Breach if at any time:

- (a) (x) the Company acknowledges that there has been a material breach by it of the Shareholders Agreement or (y) the Company ceases to diligently contest any such ORA Material Breach in good faith and on reasonable grounds;
- (b) a court judgment or arbitral award is made or entered against the Company in respect of such ORA Material Breach; or
- (c) the Company agrees to settle any such alleged ORA Material Breach in consideration of a monetary payment in an amount exceeding \$5.0 million (or equivalent in other currencies) to the ORA holders.

“Credit Facility” or “Credit Facilities” means one or more debt facilities (including the Existing Credit Facilities) or commercial paper facilities with banks, insurance companies or other institutional lenders providing for revolving credit loans, term loans, notes, letters of credit or other forms of guarantees and assurances or other credit facilities, including overdrafts, in each case, as Refinanced in whole or in part from time to time; *provided* that such debt facilities or commercial paper facilities may not provide for or consist of the borrowing or issuance of any Public Debt; and *provided, further*, that no such Refinancing may consist of or provide for the borrowing or issuance of Public Debt.

“Currency Agreements” means any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect against or manage exposure to fluctuations in foreign currency exchange rates.

“Debt” means, with respect to any Person, without duplication:

- (a) all liabilities of such Person for borrowed money (including overdrafts) or for the deferred purchase price of property or services, which purchase price is payable more than 180 days after the date of taking delivery and title of such property or receiving full performance of such services, excluding any trade payables and other accrued current liabilities Incurred in the ordinary course of business;
- (b) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;
- (c) all obligations, contingent or otherwise, of such Person in connection with any letters of credit, bankers’ acceptances or other similar facilities;
- (d) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business;
- (e) all Capitalized Lease Obligations of such Person;
- (f) all obligations of such Person under or in respect of Interest Rate Agreements, Currency Agreements or Fuel Hedging Agreements;
- (g) all Debt referred to in (but not excluded from) the preceding clauses (a) through (f) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the obligation so secured);
- (h) all guarantees by such Person of Debt referred to in this definition of any other Person;
- (i) all Redeemable Capital Stock of such Person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends;
- (j) Preferred Stock of any Restricted Subsidiary; and
- (k) the aggregate principal amount ORA and any Additional ORAs;

provided that the term “Debt” shall not include (i) non-interest bearing installment obligations and accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due, (ii) Debt

Incurred by us or any Restricted Subsidiary in respect of standby letters of credit, performance bonds or surety bonds provided by us or any Restricted Subsidiary in the ordinary course of business to the extent that such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the fifth business day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond, (iii) anything accounted for as an operating lease in accordance with IFRS as at the date of the Indenture, (iv) any pension obligations of ours or any Restricted Subsidiary and (v) Debt represented by a debit balance at a bank, trust company or other commercial banking institution that is organized in any member state of the European Union as of the date of the Indenture, or any commercial banking institution that is a member of the U.S. Federal Reserve System, in each case having a combined capital and surplus and undivided profits of not less than €500.0 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A by S&P and A2 by Moody's to the extent of any credit balance held in an account at the same bank, trust company or other commercial banking institution in the same or another currency; *provided* that the debit and credit balances are set off pursuant to an express agreement with such bank, trust company or other commercial banking institution.

For purposes of this definition, the "maximum fixed repurchase price" of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Debt will be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock; *provided* that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Disinterested Director" means, with respect to any transaction or series of related transactions, a member of the Board of Directors of the Company who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Company shall not be deemed to have such a financial interest by reason of such member's holding Capital Stock of the Company or any options, warrants or other rights in respect of such Capital Stock.

"dollars" or "\$" means the lawful currency of the United States of America.

"Dollar Equivalent" means with respect to any monetary amount in a currency other than dollars, at any time for the determination thereof, the amount of dollars obtained by converting such foreign currency into dollars at the spot rate for the purchase of dollars with such foreign currency as published under "Currency Rates" in the section of the *Financial Times* entitled "Currencies, Interest Rates & Bonds" (or as renamed by the *Financial Times* from time to time) on the date two Business Days prior to such determination.

"euro" or "€" means the lawful currency of the member states of the European Union who have agreed to share a common currency in accordance with the provisions of the Maastricht Treaty dealing with European monetary union.

"European Government Obligations" means any security that is (1) a direct obligation of a member state of the European Union as in effect on December 31, 2003 that is a member of the European Monetary Union and has a sovereign local currency rating of Aaa (or equivalent) by Moody's and AAA (or equivalent) by S&P (in each case, with stable outlook), for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country, the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"Existing Credit Facilities" means Credit Facilities existing on the date of the Indenture.

“Fair Market Value” means, with respect to any asset or property, the sale value that would be obtained in an arm’s-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by our Board of Directors or by the board of directors, as applicable, of the applicable Restricted Subsidiary.

“Fitch” means Fitch Ratings Ltd. and its successors.

“Fuel Hedging Agreements” means any spot, forward or option fuel price protection agreements and other types of fuel hedging agreements designed to protect against or manage exposure to fluctuations in fuel prices.

“guarantees” means, as applied to any obligation,

- (a) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation and
- (b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

“Guarantor” means any Person that is a guarantor of the Notes, including any Person that is required after the date hereof to execute a guarantee of the Notes pursuant to “—Limitations on Guarantees of Debt by Restricted Subsidiaries” until a successor replaces such party pursuant to the applicable provisions of the Indenture and, thereafter, shall mean such successor.

“IFRS” means International Financial Reporting Standards as adopted for use in the European Union in effect on the Issue Date or, solely with respect to the covenant “*Reports to Holders*”, as in effect from time to time.

“Interest Rate Agreements” means any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect against or manage exposure to fluctuations in interest rates.

“Investment” means, with respect to any Person, any direct or indirect advance (other than advances to customers in the ordinary course of business), loan or other extension of credit (including guarantees) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Debt issued or owned by, any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with IFRS to the extent such transactions involve the transfer of cash or other property. “Investments” excludes (i) hedging obligations entered into in the ordinary course of business endorsements of negotiable instruments and documents in the ordinary course of business, and (ii) extensions of trade credit on commercially reasonable terms in accordance with normal trade practices and accounts receivable in the ordinary course of business and bank guarantees received with respect to shipping agencies’ obligations to the Company or a Restricted Subsidiary.

“Investment Grade Rating” means a rating equal or higher than at least two of the following ratings: Baa3 (or the equivalent) by Moody’s, BBB- (or the equivalent) by S&P and BBB- (or the equivalent) by Fitch.

“Lien” means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or, with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property that such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

“Maturity” means, with respect to any indebtedness, the date on which any principal of such indebtedness becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Net Cash Proceeds” means,

- (a) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to us or any Restricted Subsidiary), but excluding any other consideration in the form of assumption by the Acquiring Person, net of:
 - (i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants and any applicable title and recording fees and expenses) related to such Asset Sale;
 - (ii) provisions for all taxes payable as a result of such Asset Sale;
 - (iii) all payments made on any Debt that is secured by any Property subject to such Asset Sale, in accordance with the terms of any Lien upon, or other security agreement of any kind with respect to, such Property, or which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid out of the proceeds from such Asset Sale;
 - (iv) amounts required to be paid to any Person (other than us or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and
 - (v) appropriate amounts to be provided by us or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with IFRS against any liabilities associated with such Asset Sale and retained by us or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officer’s Certificate delivered to the Trustee; and
- (b) with respect to any capital contributions, issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under “—Certain Covenants—Limitation on Restricted Payments,” the proceeds of such issuance or sale in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to us or any Restricted Subsidiary), net of attorney’s fees, accountant’s fees and brokerage, consultation, underwriting and other fees and expenses actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of thereof.

“Officer’s Certificate” means a certificate signed by an officer of our company or of a Surviving Entity, as the case may be, and delivered to the Trustee.

“ORA” means the subordinated bonds mandatorily convertible into preference shares of the Company issued by the Company on January 27, 2011 pursuant to that certain investment agreement dated as of November 25, 2010, in an initial aggregate principal amount of \$500 million, and the preference shares issuable pursuant thereto.

“ORA Agreements” means the agreements entered into in connection with the issuance of the ORA.

“Pari Passu Debt” means any Debt of ours that ranks equally in right of payment with the Notes. “Permitted Debt” has the meaning given to such term under “—Certain Covenants—Limitation on Debt.”

“Permitted Holders” means any of Jacques R. Saadé, Naila Saadé, Rodolphe Saadé, Tanya Saadé and Jacques Saadé Junior, any entities under the control of any of them, any of their respective spouses, parents, siblings or descendants (including by adoption), any of their respective estates, executors, administrators or personal representatives and any trust created for the sole benefit of any of the foregoing.

“Permitted Investments” means any of the following:

- (a) Investments in cash or Cash Equivalents;
- (b) intercompany Debt to the extent permitted under clause (f) of the definition of “Permitted Debt”;
- (c) Investments in (i) the form of loans or advances to us, (ii) a Restricted Subsidiary or (iii) another Person if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, us or a Restricted Subsidiary;

- (d) Investments acquired by us or any Restricted Subsidiary in connection with an Asset Sale or Asset Swap permitted under “—Certain Covenants—Limitation on Sale of Certain Assets” to the extent such Investments are non-cash proceeds permitted thereunder;
- (e) payroll, travel and similar advances to cover matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS;
- (f) Investments in the Notes and Additional Notes thereof;
- (g) Investments existing at the date of the Indenture and, where relevant, any amendment, modification, extension, renewal or replacement of any such Investments as long as any such amendment, modification, extension, renewal or replacement does not cause an increase of the underlying amount of such Investments;
- (h) Investments in Interest Rate and Currency Agreements permitted under the “Limitation on Debt” covenant;
- (i) Investments in Fuel Hedging Agreements permitted under the “Limitation on Debt” covenant;
- (j) Investments made in the ordinary course of business, in an aggregate amount not to exceed \$5.0 million;
- (k) Investments of insurance proceeds received pursuant to circumstances permitted under clauses (2)(n) and (2)(q) in “—Certain Covenants—Limitation on Debt;”
- (l) loans and advances (or guarantees to third-party loans) to our or any Restricted Subsidiary’s employees, officers and directors made in the ordinary course of business and consistent with our past practices or past practices of such Restricted Subsidiary, as the case may be, not to exceed \$10.0 million in the aggregate outstanding at any one time;
- (m) Investments in a Person to the extent that the consideration therefor consists of the net proceeds of the substantially concurrent issue and sale (other than to any Subsidiary) of shares of our Qualified Capital Stock; *provided* that the net proceeds of such sale have been excluded from, and shall not have been included in, the calculation of the amount determined under clause (2)(c)(ii) of the “Limitation on Restricted Payments” covenant;
- (n) Investments by us or any Restricted Subsidiary in connection with a Permitted Receivables Financing;
- (o) any payments or other transactions pursuant to a tax-sharing agreement between us and any other Person with whom we file or filed a consolidated tax return or with which we are or were part of a consolidated group for tax purposes or any tax-advantageous group contribution made pursuant to applicable legislation;
- (p) Investments of ours or the Restricted Subsidiaries described under item (v) to the proviso to the definition of “Debt”;
- (q) Investments by us or a Restricted Subsidiary in Qualified Minority Entities not to exceed \$50.0 million (the amount of which, if not cash, is measured by reference to the Fair Market Value of each such non-cash Investment on the date it was made);
- (r) stock, obligations or securities received in satisfaction of judgments or pursuant to any plan or reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;
- (s) loans and advances (or guarantees of third-party loans) to our or any Restricted Subsidiary’s employees and officers made for the purpose of allowing such employees and officers to purchase stock of their respective employers, not to exceed \$10.0 million in the aggregate outstanding at any one time;
- (t) guarantees permitted to be incurred under the “Limitation on Debt” covenant;
- (u) other Investments in any Person not to exceed \$25.0 million (the amount of which, if not cash, is measured by reference to the Fair Market Value of each such non-cash Investment on the date it was made), *provided* that if any Investment made pursuant to this clause (u) is subsequently sold or repaid for cash or Cash Equivalents, the \$25.0 million amount shall be increased by the lesser of the cash or Cash Equivalents received with respect to such Investment (less the cost of disposition, if any) and the initial amount of such Investment;
- (v) Investments made by the Company or any Restricted Subsidiary as a result of or retained in connection with any asset sale permitted under or in compliance with the Indenture, to the extent such Investments are non-cash proceeds permitted thereunder; and

- (w) Investments by us or a Restricted Subsidiary made in connection with, and that are incidental and necessary to, any Productive Assets Financing constituting Permitted Debt or Debt permitted to be Incurred under the “Limitation on Debt” covenant.

“Permitted Liens” means the following types of Liens:

- (a) Liens (other than Liens securing Debt under the Existing Credit Facilities) existing as of the date of the issuance of the Notes;
- (b) Liens on our or any Restricted Subsidiary’s property or assets securing Debt under the Credit Facilities permitted to be Incurred pursuant to clause (a) of the definition of “Permitted Debt” and Liens on assets given, disposed of or otherwise transferred in connection with a Permitted Receivables Financing permitted to be Incurred pursuant to clause (m) of the definition of “Permitted Debt;”
- (c) Liens on any property or assets of ours or any Restricted Subsidiary acquired or improved in the ordinary course of business for the purpose of securing purchase money obligations, mortgage financings or other Debt, in each case, Incurred pursuant to clauses (b), (c) or (q) of the definition of “Permitted Debt”; *provided* that (i) such purchase money obligations, mortgage financings or other Debt shall not exceed the cost of such property or assets or improvement, as the case may be, and shall not be secured by any property or assets of ours or any Restricted Subsidiary other than the property and assets so acquired or improved and (ii) the Lien securing such Debt shall be created within 90 days of such acquisitions;
- (d) any Liens securing the interest or title of a lessor under any Capitalized Lease Obligation incurred pursuant to clauses (b), (c) or (q) under the covenant described under “—Certain Covenants—Limitation on Debt”; *provided* that (i) such Capitalized Lease Obligation shall not exceed the cost of such property or assets, (ii) such Lien shall not extend to any property or assets of ours or any Restricted Subsidiary (other than, for the avoidance of doubt, the property and assets subject of the lease giving rise to such Capitalized Lease Obligation) and (ii) any such Lien securing shall be created within 90 days of the Incurrence of such Capitalized Lease Obligation;
- (e) Liens on any of our or any Restricted Subsidiary’s property or assets securing the Notes or any guarantees thereof;
- (f) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by us or any Restricted Subsidiary in the ordinary course of business in accordance with such grantor’s past practices prior to the date of the Indenture;
- (g) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, stevedores, masters, crew, employees, pension plan administrators or other like Liens (including, without limitation, any maritime liens, whether or not statutory, that are recognized or given effect to as such by the law of any applicable jurisdiction) arising in the ordinary course of our or any Restricted Subsidiary’s business and with respect to amounts not yet delinquent or being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made or Liens arising solely by virtue of any statutory or common law provisions relating to bankers’ liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution;
- (h) Liens for taxes, assessments, government charges or claims that are either (i) not delinquent or thereafter can be paid without penalty, (ii) being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made or (iii) solely encumbering abandoned property or property in the process of being abandoned;
- (i) Liens Incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, including, without limitation, obligations imposed by customs authorities, surety and appeal bonds, return-of-money bonds, government contracts, performance bonds and other obligations of a like nature Incurred in the ordinary course of business (other than obligations for the payment of borrowed money);
- (j) zoning restrictions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions and other similar charges or encumbrances not interfering in any material respect with our or any Restricted Subsidiary’s business Incurred in the ordinary course of business;

- (k) Liens arising by reason of any judgment, decree or order of any court so long as such Lien is adequately bonded (to the extent such bonding is required by such judgment, decree or order) and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;
- (l) Liens on property of, or on shares of Capital Stock or indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of ours or any Restricted Subsidiary other than the property or assets acquired; *provided, further*, that such Liens were created prior to, and not in connection with or in contemplation of, such acquisition;
- (m) Liens securing our or any Restricted Subsidiary's obligations under Interest Rate Agreements or Currency Agreements permitted by clause (i) of the definition of "Permitted Debt;"
- (n) Liens securing our or any Restricted Subsidiary's obligations under Fuel Hedging Agreements permitted by clause (h) of the definition of "Permitted Debt;"
- (o) Liens Incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance (including unemployment insurance);
- (p) Liens Incurred in connection with a cash management program established in the ordinary course of business for our benefit or that of any Restricted Subsidiary in favor of a bank or trust company of the type described in paragraph (1) of the covenant described under "—Certain Covenants—Limitation on Guarantees of Debt by Restricted Subsidiaries;"
- (q) any customary right of first refusal, right of first offer, option, contract, or other agreement to sell an asset of ours or of any Restricted Subsidiary;
- (r) Liens arising as a result of escrow deposits related to ship financing in the ordinary course of business;
- (s) any amendment, modification, extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (r); *provided* that (i) any such amendment, modification, extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so amended, modified, extended, renewed or replaced and (ii) such Liens shall be limited to the property or part thereof that secured the Lien so replaced or property substituted therefor as a result of the destruction, condemnation or damage of such property;
- (t) Liens on the Capital Stock or other securities or Debt of any Unrestricted Subsidiary or Qualified Minority Entity to secure Debt of any Unrestricted Subsidiary or Qualified Minority Entity; and
- (u) Liens Incurred in the ordinary course of business of our company or any Restricted Subsidiary with respect to obligations that do not exceed \$5.0 million at any one time outstanding and that (i) are not Incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (ii) do not in the aggregate materially detract from the value of the relevant property or materially impair the use thereof in the operation of our or such Restricted Subsidiary's business.

"Permitted Receivables Financing" means any financing pursuant to which we or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person or grant a security interest in, any accounts receivable (and related assets) in an aggregate principal amount equivalent to the Fair Market Value of such accounts receivable (and related assets) of our company or any Restricted Subsidiary; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by our Board of Directors) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by our Board of Directors) at the time such financing is entered into and (c) such financing shall be non-recourse to us or any Restricted Subsidiary except to a limited extent customary for such transactions.

"Permitted Refinancing Debt" means any Refinancing of any Debt of ours or a Restricted Subsidiary pursuant to this definition, including any successive Refinancings, so long as:

- (a) we are the borrower under such Refinancing or, if not, the borrower is the borrower of the Debt being refinanced (except that any Restricted Subsidiary may incur refinancing Debt to refinance Debt of any other Restricted Subsidiary);

- (b) such Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being Refinanced and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such Refinancing and fees and expenses of any legal counsel, auditors and investment banks;
- (c) the Average Life of such Debt is equal to or greater than the Average Life of the Debt being Refinanced;
- (d) the Stated Maturity of such Debt is no earlier than the Stated Maturity of the Debt being Refinanced; and
- (e) the new Debt is not senior in right of payment to the Debt that is being Refinanced;

provided that Permitted Refinancing Debt will not include (i) Debt of a Subsidiary that Refinances our Debt or (ii) Debt of any Restricted Subsidiary that Refinances Debt of an Unrestricted Subsidiary.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Preferred Stock” means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person whether now outstanding, or issued after the date of the Indenture, and including, without limitation, all classes and series of preferred or preference stock of such Person; *provided* that Preferred Stock shall not include preference shares issuable upon conversion of the ORA or any Additional ORA.

“pro forma” means, with respect to any calculation made or required to be made pursuant to the terms of the Notes, a calculation in accordance with IFRS, or otherwise a calculation made in good faith by us after consultation with our external auditor, as the case may be.

“Property” means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock, and other securities of, any other Person. For purposes of any calculation required pursuant to the Indenture, the value of any Property shall be its Fair Market Value.

“Public Debt” means any bonds, debentures, notes or other indebtedness of a type that could be issued or traded in any market where capital funds (whether debt or equity) are traded, including private placement sources of debt and equity as well as organized markets and exchanges, whether such indebtedness is issued in a public offering or in a private placement to institutional investors or otherwise.

“Public Equity Offering” means an underwritten public offering for sale of capital stock (which is Qualified Capital Stock) of ours or any direct or indirect parent holding company of ours with gross proceeds to us of at least \$50.0 million (including any sale of Qualified Capital Stock purchased upon the exercise of any over allotment option granted in connection therewith).

“Qualified Capital Stock” of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

“Qualified Finance Company Subsidiary” means a Subsidiary that (i) is a direct, Restricted Subsidiary of ours, (ii) was incorporated for the sole purpose of issuing, and is limited by its constituent documents to the issuance of, Public Debt, (iii) does not have any Subsidiaries, other than a corporate co-obligor of such Public Debt and (iv) does not have any assets other than indebtedness owed to it by us and the Restricted Subsidiaries in respect of loans made by it to us with the proceeds of any Public Debt issued by it.

“Qualified Lease Financing” means any Capitalized Lease Obligation incurred or assumed in connection with the acquisition or construction of assets used in our business.

“Qualified Minority Entity” means any entity in which we or any of our Restricted Subsidiaries own 50.0% or less of the Capital Stock and that, directly or through Subsidiaries, owns an interest in any (i) port and terminal facilities including bunkering stations, (ii) air, railway or trucking cargo operators or (iii) freight forwarders, and, such facility, operator or forwarder provides services or facilities for, among other Persons, us or any Restricted Subsidiary.

“Rating Agency” means Fitch, Moody’s or S&P.

“Redeemable Capital Stock” means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Notes or is redeemable at the option of the holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of our company in circumstances in which the holders of the Notes would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity; *provided* that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any “asset sale” or “change of control” occurring prior to the Stated Maturity of the Notes will not constitute Redeemable Capital Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in “—Certain Covenants—Limitation on Sale of Certain Assets” and “—Purchase of Notes upon a Change of Control” covenants described herein and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to our repurchase of such Notes as are required to be repurchased pursuant to “—Certain Covenants—Limitation on Sale of Certain Assets” and “—Purchase of Notes upon a Change of Control.”

“Refinance” means, with respect to any Debt, to amend, modify, extend, substitute, renew, replace, refund, prepay, repay, repurchase, redeem, defease or retire, or to issue other Debt, in exchange or replacement for, such Debt. “Refinanced” and “Refinancing” shall have correlative meanings.

“Regulation S” means Regulation S promulgated under the Securities Act.

“Related Business” means any business which is the same as or related, ancillary or complementary to any of the businesses of our company and its Restricted Subsidiaries on the date of the Indenture.

“Related Business Assets” means assets used or useful in a Related Business.

“Restricted Subsidiary” means any Subsidiary of ours other than an Unrestricted Subsidiary.

“Restructuring” means the amendments to our current financing arrangements effected on or around March 15, 2011, and the issuance of \$500 million principal amount of the ORA.

“Restructuring Charges” means all charges and expenses caused by or attributable to any restructuring, including without limitation the Restructuring, severance, relocation, consolidation, closing, integration, business optimization or transition, signing, retention or completion bonus or curtailments or modifications to pension and post-retirement employee benefit plans.

“Rule 144A” means Rule 144A promulgated under the Securities Act.

“S&P” means Standard and Poor’s, a division of the McGraw-Hill Companies, Inc. and its successors.

“Sale and Leaseback Transaction” means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to us or any Restricted Subsidiary of any property, whether owned by us or such Restricted Subsidiary on the date of the Indenture or later acquired, which has been or is to be sold or transferred by us or a Restricted Subsidiary to such Person or to any other Person from whom funds have been or are to be advanced by such Person; *provided* that no sale or transfer by us or a Restricted Subsidiary of any asset that is incidental to and made in connection with any Qualified Lease Financing shall be considered a Sale and Leaseback Transaction.

“Securities Act” means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

“Shareholders Agreement” means the shareholders agreement dated as of January 27, 2011, among the ORA holders, Merit Corporation SAL and the Company.

“Significant Subsidiary” means any Restricted Subsidiary that, together with its Subsidiaries:

- (a) accounted for more than 10% of our consolidated revenues for our most recent fiscal year, or
- (b) as of the end our most recent fiscal year, was the owner of more than 10% of our consolidated assets, or
- (c) was organized or acquired after the beginning of such fiscal year and would have been a Significant Subsidiary if it had been owned during the entire fiscal year or is a “significant subsidiary” as defined in Rule 1.02(w) of Regulation S-X under the Securities Act.

“Stated Maturity” means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest, respectively, is due and payable, and, when used with respect to any other indebtedness, means the date specified in the instrument governing such indebtedness as the fixed date on which the principal of such indebtedness, or any installment of interest thereon, is due and payable.

“Subordinated Debt” means Debt of our company that is subordinated in right of payment to the Notes.

“Subsidiary” means, with respect to any Person:

- (a) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof; and
- (b) any other Person (other than a corporation), including, without limitation, a partnership, limited liability company, business trust or joint venture, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, holds at least a majority of the ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Person performing similar functions).

“Tangible Assets” means in respect of a Person, the total assets of such Person less goodwill, each as stated on such Person’s most recent quarterly balance sheet.

“Total Revenues” means in respect of a Person, the total revenues of such Person, as stated on such Person’s most recent quarterly or annual statement of income.

“Total Receivables” means, at any date, (a) the accounts receivable of our company and the Restricted Subsidiaries as of such date plus (b) the amount of accounts receivable of our company and the Restricted Subsidiaries that has been sold, conveyed or otherwise transferred in Permitted Receivables Financings and is outstanding at such date.

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source or similar market data)) most nearly equal to the period from the redemption date to April 15, 2014, *provided, however*, that if the period from the redemption date to April 15, 2014, is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“Unrestricted Subsidiary” means:

- (a) any Subsidiary of ours that at the time of determination is an Unrestricted Subsidiary (as designated by our Board of Directors pursuant to the “Designation of Unrestricted and Restricted Subsidiaries” covenant); and
- (b) any Subsidiary of an Unrestricted Subsidiary.

“U.S. Government Obligations” means securities that are (a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (b) obligations of a Person

controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depositary receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depositary receipt.

“Vessel” means one or more shipping vessels whose primary purpose is the maritime transportation of cargo or which are otherwise engaged, used or useful in any business activities of the Issuer and its Restricted Subsidiaries and which are owned by and registered (or to be owned by and registered) in the name of the Issuer or any of its Restricted Subsidiaries or operated or to be operated by the Issuer or any of its Restricted Subsidiaries, in each case together with all related spares, equipment and any additions or improvements.

“Vessel Sharing Arrangement” means (i) an agreement whereby transport space on ships is allocated *pro rata* among parties to such agreement in accordance with each party’s share of ships provided on a particular shipping line and (ii) an agreement whereby parties sell, buy or exchange a fixed number of container slots on their respective ships.

“Voting Stock” means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

“Wholly Owned Restricted Subsidiary” means any Restricted Subsidiary, all of the outstanding Capital Stock (other than directors’ qualifying shares or shares of foreign Restricted Subsidiaries required to be owned by foreign nationals pursuant to applicable law) of which is owned by us, by one or more other Wholly Owned Restricted Subsidiaries or by us and one or more other Wholly Owned Restricted Subsidiaries.

BOOK ENTRY, DELIVERY AND FORM

General

Certain defined terms used but not defined in this section have the meanings assigned to them in the Indenture governing the notes, as described in “Description of Notes.”

Each series of notes sold to persons other than “U.S. persons” (as defined in Regulation S under the U.S. Securities Act (“Regulation S”)) outside the United States in offshore transactions (as defined in Regulation S) in reliance on Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the “Regulation S Global Notes”). The Regulation S Global Notes representing the euro-denominated notes (the “Euro Regulation S Global Notes”) will be deposited, on the closing date, with, or on behalf of, a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository. The Regulation S Global Notes representing the dollar-denominated notes (the “Dollar Regulation S Global Notes”) will be deposited, upon issuance, with a custodian for DTC and registered in the name Cede & Co. as nominee of DTC.

Each series of notes sold to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”)) in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the “144A Global Notes” and, together with the Regulation S Global Notes, the “Global Notes”). The 144A Global Notes representing the euro-denominated notes (the “Euro 144A Global Notes” and, together with the Euro Regulation S Global Notes, the “Euro Global Notes”) will be deposited, on the closing date, with, or on behalf of, a common depository for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depository. The 144A Global Notes representing the dollar-denominated notes (the “Dollar 144A Global Notes” and, together with the Dollar Regulation S Global Notes, the “Dollar Global Notes”) will be deposited, upon issuance, with the custodian for DTC and registered in the name of Cede & Co. as nominee of DTC.

Ownership of beneficial interests in the 144A Global Notes (“144A Book-Entry Interests”) and ownership interest in the Regulation S Global Notes (the “Regulation S Book-Entry Interests” and, together with the 144A Book-Entry Interests, the “Book-Entry Interests”) will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream, as applicable, or persons that hold interests through such participants and have to be in accordance with applicable transfer restrictions set out in the indenture governing the notes and in any applicable securities laws of any state of the United States or of any other jurisdiction, as described under “Notice to Investors” and under “Summary—The Offering—Transfer Restrictions.”

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and Clearstream and their participants, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by DTC, Euroclear or Clearstream, as applicable, and their respective participants. Except under the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive definitive notes in registered form (“Definitive Registered Notes”). Instead, DTC, Euroclear and Clearstream will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of notes take physical possession of such notes in definitive form. The foregoing limitations may impair your ability to own, transfer, pledge or grant any other security interest in Book-Entry Interests.

So long as the notes are held in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of Global Notes for any purpose. So long as the notes are held in global form, DTC, the common depository for Euroclear and/or Clearstream, or their respective nominees, as applicable, will be considered the sole holders of Global Notes for all purposes under the indenture governing the notes. As such, participants must rely on the procedures of DTC, Euroclear and/or Clearstream, as the case may be, and indirect participants must rely on the procedures of DTC, Euroclear, Clearstream and the participants through which they own Book-Entry Interests to transfer their interests in or to exercise any rights of holders under the indenture governing the notes. Neither we nor the Trustee nor any of our respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests. You can find information about certain other restrictions on the transferability of the notes under “—Issuance of Definitive Registered Notes.”

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of the notes in certificated form and will not be considered the registered owners or holders thereof under the indenture governing the notes for any purpose.

The Issuer, the Trustee, the Registrar, the Transfer Agents, the Paying Agents and any of their respective agents have not and will not have any responsibility or liability:

(1) for any aspect of the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests, or for maintaining, supervising or reviewing any of the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests; or for payments made by DTC, Euroclear, Clearstream or any participant or indirect participant relating to Book-Entry Interests, or

(2) for DTC, Euroclear, Clearstream or any participant or indirect participant.

The euro-denominated notes will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The dollar-denominated notes will be issued in denominations of \$150,000 and in integral multiples of \$1,000 in excess thereof. We will not impose any fees or other charges in respect of the notes; however, owners of the Book Entry Interest may incur fees normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear or Clearstream.

Issuance of Definitive Registered Notes

Under the terms of the indenture governing the notes, owners of Book-Entry Interests will receive Definitive Registered Notes only in the following circumstances:

(1) if DTC (with respect to the Dollar Global Notes), or Euroclear or Clearstream (with respect to the Euro Global Notes) notifies the Issuer that it is unwilling or unable to continue to act as depository and a successor depository is not appointed by the Issuer within 120 days;

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through DTC, Euroclear or Clearstream following an Event of Default which results in action by the Trustee pursuant to the enforcement provisions under the indenture governing the notes.

Euroclear has advised the Issuer that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), its current procedure is to request that Definitive Registered Notes be issued to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In any such events described in clauses (1) or (2), the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of DTC, Euroclear and/or Clearstream, as applicable (in accordance with their respective customary procedures and certain certification requirements and based upon directions received from participants reflecting the beneficial ownership of the Book-Entry Interests). The Definitive Registered Notes will bear a restrictive legend with respect to certain transfer restrictions, unless that legend is not required by the indenture governing the notes or by applicable law.

In the case of the issue of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Definitive Registered Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of one Definitive Registered Note, a new Definitive Registered Note will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note will be issued to the transferor or the holder, as applicable in respect of the balance of the holding not transferred or redeemed, provided that a Definitive Registered Note will only be issued in denominations of €100,000 or in integral multiples of €1,000 in excess thereof (in the case of the Euro Global Notes) and in denominations of \$150,000 or in integral multiples of \$1,000 in excess thereof (in the case of the Dollar Global Notes).

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken, or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a Transfer Agent, we will issue and the Trustee or an Authenticating Agent appointed by the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. We or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and us to protect us, the Trustee or the Paying Agent appointed pursuant to the indenture governing the notes from any loss which any of them may suffer if a Definitive Registered Note is replaced. We may charge for expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by us pursuant to the provisions of the

indenture governing the notes, we in our discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests only in accordance with the indenture governing the notes and, if required, only after the transferor first delivers to the Transfer Agent a written certification (in the form provided in the indenture governing the notes) to the effect that such transfer will comply with the transfer restrictions applicable to such notes. See “Notice to Investors.”

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Registrar, and such registration is a means of evidencing title to the notes.

The Issuer will not impose any fees or other charges in respect of the notes; however, holders of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear and/or Clearstream, as applicable.

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, DTC, Euroclear and/or Clearstream, or their respective nominees, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable to the holders of such Book-Entry Interests will be equal to the amount received by DTC, Euroclear and/or Clearstream, as applicable, in connection with the redemption of such Global Note, or any portion thereof. The Issuer understands that, under existing practices of DTC, Euroclear and Clearstream, if fewer than all of the notes are to be redeemed at any time, DTC, Euroclear and Clearstream will credit their respective participants’ accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of €100,000 or \$150,000, as applicable, may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts) will be made by the Issuer to the Paying Agents. The Paying Agents will, in turn, make such payments to the common depositary or its nominee for Euroclear and/or Clearstream (in the case of the Euro Global Notes) and to DTC or its nominee (in the case of the Dollar Global Notes). The common depositary or its nominee, or DTC or its nominee, as applicable, will in turn distribute such payments to participants in accordance with its procedures. We will make payments of all such amounts without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made by any applicable law or regulation or otherwise as described under “Description of Notes—Additional Amounts,” then, to the extent described under “Description of Notes—Additional Amounts,” such Additional Amounts will be paid as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will be equal to the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction.

We expect that payments by participants to owners of Book-Entry Interests held through such participants will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers registered in “street name.” Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in “street name.”

In order to tender Book-Entry Interests in a change of control offer or asset sale offer, the holder of the applicable Global Note must, within the time period specified in such offer, give notice of such tender to the Paying Agents and specify the principal amount of Book-Entry Interests to be tendered.

Currency and Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Euro Global Notes will be paid to holders of interest in such notes (the “Euroclear/Clearstream Holders”) through

Euroclear and/or Clearstream in euro. The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Dollar Global Notes will be paid to holders of interest in such notes (the “DTC Holders”) through DTC in dollars.

Notwithstanding the payment provisions described above, Euroclear/Clearstream Holders may elect to receive payments in respect of the Euro Global Notes in dollars.

If so elected, a Euroclear/Clearstream Holder may receive payments of amounts payable in respect of its interest in the Euro Global Notes in dollars in accordance with Euroclear or Clearstream’s customary procedures, which include, among other things, giving to Euroclear or Clearstream, as appropriate, a notice of such holder’s election. All costs of conversion resulting from any such election will be borne by such holder.

If so elected, a DTC Holder may receive payment of amounts payable in respect of its interest in the Dollar Global Notes in euro in accordance with DTC’s customary procedures, which include, among other things, giving to DTC a notice of such holder’s election to receive payments in euro. All costs of conversion resulting from any such election will be borne by such holder.

Action by Owners of Book-Entry Interests

DTC, Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of notes only at the direction of the participant to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant has given such direction. DTC, Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the indenture governing the notes, each of DTC, Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to its participants, as described in the subsection “—Issuance of Definitive Registered Notes.”

Exchanges between 144A Global Notes and Regulation S Global Notes

144A Book-Entry Interests may be transferred to a person who takes delivery in the form of Regulation S Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act. Until the expiration of 40 days after the later of the commencement of the offering and the closing date, ownership of Regulation S Book-Entry Interests will be limited to persons other than U.S. persons, and any sale or transfer of such interest to U.S. persons shall not be permitted during such periods unless such resale or transfer is made pursuant to Rule 144A. Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the indenture) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A as described under “Transfer Restrictions” and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Secondary Market Trading, Global Clearance and Settlement under the Book-Entry System

The notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market. We expect that the notes will be accepted for clearance through the facilities of DTC, Euroclear and Clearstream. Transfers of interests in the Global Notes between participants in DTC, Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures. The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the relevant settlement systems and are subject to changes by them. The Global Notes are expected to trade in DTC’s Same-Day Funds Settlement System, and any permitted secondary market trading activity in the notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any certificated notes will also be settled in immediately available funds. Subject to compliance with the transfer restrictions applicable to the Global Notes, cross-market transfers between participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be done through DTC in accordance with DTC’s rules on behalf of each of Euroclear or Clearstream by the common depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or

Clearstream by the counterparty in such system in accordance with the rules and regulations and within the established deadlines of such system (Brussels time). Euroclear or Clearstream will, if the transaction meets its settlement requirements, deliver instructions to the common depository to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Notes from DTC, and making and receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the common depository. Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received by Euroclear and Clearstream as a result of a sale of an interest in a Global Note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date. The Book-Entry Interests will trade through participants of DTC; Euroclear or Clearstream will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date. Although DTC, Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. Neither the Issuer, the Trustee nor the initial purchasers take responsibility for these operations and procedures and urge investors to contact the systems or their participants directly to discuss these matters.

Initial Settlement

Initial settlement for the notes will be made in euro and dollars. Book-Entry Interests owned through DTC, Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of DTC, Euroclear or Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

Initial settlement for the notes will be made in euro and dollars. Book-Entry Interests owned through DTC, Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of DTC, Euroclear or Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving notes through DTC, Euroclear or Clearstream on days when those systems are open for business.

In addition, because of time-zone differences, there may be complications with completing transactions involving Euroclear and/or Clearstream on the same business day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to receive or make a payment or delivery of notes, on a particular day, may find that the transactions will not be performed until the next business day in Brussels if Euroclear is used, or Luxembourg if Clearstream is used.

Subject to compliance with the transfer restrictions applicable to the Global Notes, cross-market transfers between participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be done through DTC in accordance with DTC's rules on behalf of each of Euroclear or Clearstream by its common depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream by the counterparty in such system in accordance with the rules and regulations and within the established deadlines of such system (Brussels time). Euroclear or Clearstream will, if the transaction meets its settlement requirements, deliver instructions to the common depository to take action to effect final settlement on

its behalf by delivering or receiving interests in the Global Notes from DTC, and making and receiving payment in accordance with normal procedures for same-day funds settlement application to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the common depository.

Because of the time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear and Clearstream as a result of a sale of an interest in a Global Note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Clearing Information

All Book-Entry Interests will be subject to the operations and procedures of DTC, Euroclear and Clearstream Banking, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we, the Trustee nor the Initial Purchasers are responsible for those operations or procedures. The Issuer understands as follows with respect to DTC and Euroclear and Clearstream Banking:

We expect that the notes will be accepted for clearance through the facilities of DTC, Euroclear and Clearstream. The international securities identification numbers and common code numbers for the notes are set out under "General Information."

DTC advised the Issuer that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (that DTC's direct participants deposit with DTC). DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

Like DTC, Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

CERTAIN TAX CONSIDERATIONS

French Income Taxation

The following is a general summary of the principal French tax consequences of purchasing, owning and disposing of notes. This summary is only addressed to beneficial owners of notes who are not French residents for French tax purposes, who do not hold their notes in connection with a business or profession conducted in France, or a permanent establishment or fixed base situated in France, and who do not concurrently hold our shares.

This discussion is intended only as a descriptive summary of certain provisions of French tax law and regulations which, due to its summary character, does not cover all details and tax exemptions which may apply in specific individual cases, and may even require a deviation therefrom, including as a result of the application of the provisions of any relevant tax treaty. It assumes that interest paid by the Issuer with respect to the notes will qualify as a deductible charge of such issuer for French corporate income tax purposes, notably pursuant to the provisions of Article 238A of the French Tax Code (“FTC”). Furthermore, it does not deal with any tax other than the withholding, income and transfer taxes as described below and is based on French tax and practices in force as of the date hereof, all of which are subject to change, possibly with retroactive effect, or to different interpretations.

You should consult your own tax advisers about the tax consequences of purchasing, owning and disposing of notes, including the relevance to your particular situation of considerations discussed below.

Taxation of Interest

Since March 1, 2010, income paid by a French debtor to a non-French tax resident in respect of debt securities is not subject to withholding tax in France, unless such income is paid into a “non-cooperative State or territory” (“NCST”) within the meaning of Article 238-0 A of the FTC. In such a case, a withholding tax is levied at the rate of 50%, except, notably, when (pursuant to ruling (*rescrit*) n° 2010/11 issued by the *Direction Générale des Impôts* on February 22, 2010) the income is paid in respect of:

- securities issued in a public offering within the meaning of Article L.411-1 of the French *Code monétaire et financier* (Monetary and Financial Code - “CMF”) or pursuant to an equivalent offer in a state other than an NCST (for this purpose, an “equivalent offering” means any offering requiring the registration or submission of an offering document by or with a foreign securities market authority); or
- securities admitted to trading on a French or foreign-regulated market or on a multilateral financial instruments trading facility, provided that such market or facility is not located in an NCST and that such market is operated by a market operator, an investment service provider, or by such other similar foreign entity that is not located in an NCST; or
- securities admitted, at the times of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of CMF Article L.561-2, or one or more similar foreign depositories or operators, provided that such depository or operator is not located in an NCST.

In the present case, payments of interest and premium, if any, made by the Issuer in respect of the notes to non-French tax residents will not be subject to withholding tax in France, either if the notes are admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, regardless of the jurisdiction in which such payments are made, or, if the notes are not listed, provided that such payments are not made on an account held in an NCST.

Taxation on Sale, Disposal or Redemption of Notes

A holder of notes who is not a resident of France for French tax purposes will not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, disposal or redemption of notes.

Transfers of notes outside France will not be subject to any stamp duty or other transfer taxes imposed in France.

Savings Directive

On June 3, 2003, the ECOFIN Council of the EU adopted directive 2003/48/EC on the taxation of savings income (the “Savings Directive”). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since July 1, 2005, to provide to the tax authorities of another Member State details of payments of interest within the meaning of the Savings Directive (interest, premium or other debt income) (“Interest”) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident of that other Member State or an entity without legal personality that meets certain conditions and has not opted to be treated as UCITS for the purposes of the Savings Directive that is established in that other Member State (together, the “Beneficial Owners”) (the “Disclosure of Information Method”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making Interest payments, within the meaning of the Savings Directive, for the immediate benefit of a Beneficial Owner.

However, throughout a transitional period, certain Member States (Austria and the Grand-Duchy of Luxembourg) will withhold an amount on Interest payments instead of using the Disclosure of Information Method used by other Member States, unless the relevant Beneficial Owner of such payment elects for the Disclosure of Information Method or provides the paying agent with a certificate issued by the tax authorities of the Member State of which he is a resident. The rate of such withholding tax is currently 20% and will be increased to 35% as from July 1, 2011.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community and the last of several jurisdictions (Andorra, Liechtenstein, Monaco, San Marino and Switzerland), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on April 18, 2002 (the “OECD Model Agreement”), in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rates described above and (ii) the date on which the European Council agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to Interest payments.

The Savings Directive was implemented into French law in Article 242 *ter* of the *Code général des impôts* and in Articles 49 I *ter* to 49 I *sexies* of Annex III thereto. These rules impose on paying agents based in France an obligation to report to the French tax authorities certain information with respect to Interest payments made to Beneficial Owners domiciled in another Member State, including the identity and address of the Beneficial Owner and a detailed list of the different categories of Interest paid to that Beneficial Owner.

Each note holder shall be responsible for supplying to the paying agent in a timely manner, any information he may request in order to comply with the identification and reporting obligations imposed on him by the Savings Directive or any law implementing or complying with, or introduced in order to conform to the Savings Directive.

A number of non-EU countries (Andorra, Liechtenstein, Monaco, San Marino and Switzerland) have agreed to apply similar measures (transitional withholding or, upon specific election, provision of information).

The attention of the note holders is drawn to the fact that on November 13, 2008, the European Commission has issued a proposal to amend the Savings Directive which, if finally adopted by the European Parliament, would amend and broaden the scope of the rules described above. In particular, it is proposed to extend under certain conditions the scope of the Savings Directive to payment of Interest made to certain categories of entities and legal arrangements “based” outside the EU for the ultimate benefit of Beneficial Owners that are individuals. The European Parliament approved an amended version of this proposal on April 24, 2009.

U.S. Federal Income Tax Considerations

This summary has been written to support the marketing of the notes. It was not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. federal income tax penalties. Investors should consult their own tax advisers in determining the tax consequences to them of investing in the notes, including the application to their particular situation of the U.S. federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

The following discussion summarizes the material U.S. federal income tax consequences for a U.S. holder of purchasing, owning and disposing of the notes. For purposes of this discussion, a “U.S. holder” means a beneficial owner of notes that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or

resident of the United States; (ii) a corporation or other business entity treated as a corporation created or organized in or under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, if its income is subject to U.S. federal income taxation regardless of its source; or (iv) a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or if the trust has in effect a valid election to be treated as a U.S. person. This summary deals only with U.S. holders that purchase notes at their issue price as part of the initial distribution and that hold notes as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects mark-to-market treatment, person that holds notes as a hedge against currency risk or as a position in a “straddle” or conversion transaction, tax-exempt organization or person whose “functional currency” is not the U.S. dollar.

This summary is based on laws, regulations, rulings, and court decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary. We will not seek a ruling from the U.S. Internal Revenue Service (“IRS”) with respect to any matters discussed in this section, and we cannot assure you that the IRS will not challenge one or more of the tax consequences described below.

You should consult your own tax advisers about the tax consequences of purchasing, owning, and disposing of notes, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local, or other tax laws.

Interest on the Notes

Payments or accruals of interest on the notes will be taxable to you as ordinary interest income at the time that you receive or accrue such amounts (in accordance with your regular method of tax accounting).

With respect to the euro-denominated notes, if you use the cash method of tax accounting, the amount of interest income you will realize will be the U.S. dollar value of the payment in euros, calculated based on an exchange rate in effect on the date you receive the payment, regardless of whether you convert the payment into U.S. dollars.

With respect to the euro-denominated notes, if you are an accrual-basis U.S. holder, the amount of interest income you will realize on the notes will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an interest accrual period that spans two taxable years, during the partial period within the taxable year). Alternatively, as an accrual-basis U.S. holder, you may elect to translate all interest income on the notes at a spot rate on the last day of the accrual period (or the last day of the taxable year, in the case of an accrual period that spans more than one taxable year) or on the date that you receive the interest payment if that date is within five business days of the end of the accrual period (or taxable year). If you make this election, you must apply it consistently to all debt instruments from year to year and you cannot change the election without the consent of the IRS. If you use the accrual method of accounting for tax purposes, you will recognize foreign currency gain or loss on the receipt of an interest payment in euro if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the notes.

Purchase, Sale and Retirement of the Notes

If you sell or exchange a note, or if a note that you hold is retired, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any amount attributable to accrued and unpaid interest, which will be subject to tax in the manner described above under “—Interest on the Notes”) and your adjusted tax basis in the note. Initially, your tax basis in a note generally will equal the U.S. dollar value of the purchase price for the note, calculated at an exchange rate in effect on the date of purchase. With respect to the euro-denominated notes, if the note is traded on an established securities market, a cash-basis U.S. holder (or, if it so elects, an accrual-basis U.S. holder) will determine the U.S. dollar value of the cost of such note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. If you sell a note for euros, or receive euros on the retirement of a note, the amount you will realize for U.S. tax purposes generally will be the U.S. dollar value of the euros that you receive, calculated, with respect to the euro-denominated notes, at an exchange rate in effect on the date the note is sold or retired. With respect to the euro-denominated notes, if the note is traded on an established securities market, a cash-basis U.S. holder (or, if it so

elects, an accrual-basis U.S. holder) will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate of exchange on the settlement date of the sale, exchange or retirement. Any such election made by an accrual-basis U.S. holder must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to foreign currency gain or loss, any gain or loss that you recognize on the sale, exchange or retirement of a note generally will be U.S.-source capital gain or loss, and will be long-term capital gain or loss, subject to taxation at reduced rates for non-corporate taxpayers, if you have held the note for more than one year on the date of disposition. The ability of U.S. holders to offset capital losses against ordinary income is limited.

Despite the foregoing, gain or loss that you recognize on the sale, exchange or retirement of a note generally will be treated as U.S.-source ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which you held the note. This foreign currency gain or loss will not be treated as an adjustment to interest income that you receive on the note. U.S. holders who sell notes at a loss that exceeds certain thresholds may be required to file a disclosure statement with the IRS.

Contingent Payments—Characterization of the Notes

Our obligations to make certain payments on the notes other than the stated principal amount and stated interest in certain circumstances may implicate U.S. Treasury regulations relating to “contingent payment debt instruments.” We intend to take the position that the foregoing contingencies should not cause the notes to be treated as contingent payment debt instruments. Our position is binding on a U.S. holder, unless the U.S. holder discloses in the proper manner to the IRS that it is taking a different position. Assuming such position is respected, a U.S. holder would be required to include in income the amount of any such payments at the time such payments are received or accrued in accordance with such U.S. holder’s method of accounting for U.S. federal income tax purposes. If the IRS successfully challenged this position, and the notes were treated as contingent payment debt instruments because of such payments, U.S. holders might, among other things, be required to accrue interest income at higher rates than the stated interest rates on the notes and to treat any gain recognized on the sale or other disposition of a note as ordinary income rather than as capital gain. The U.S. Treasury regulations applicable to contingent payment debt instruments have not been the subject of authoritative interpretation and therefore the scope of the regulations is not certain. This disclosure assumes that the notes will not be considered contingent payment debt instruments. You are urged to consult your tax advisors regarding the possible application of the contingent payment debt instrument rules to the notes.

Additional Notes

If Additional Notes are issued in the future, it is possible that those Additional Notes will not be fungible with the notes offered hereby for U.S. federal income tax purposes. This could have an adverse tax effect for holders who hold notes and did not acquire them in this initial offering, and therefore could adversely affect the marketability and fair market value of the notes. You are urged to consult your own tax adviser concerning such matters.

Medicare Contribution Tax

In addition to the above, newly enacted legislation requires certain U.S. holders that are individuals, estates or trusts to pay up to an additional 3.8% tax on interest and capital gains for taxable years beginning after December 31, 2012.

U.S. Information Reporting and Backup Withholding Rules

Payments in respect of the notes that are made within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding unless you (i) properly establish you are a corporation or other exempt recipient or, in the case of back-up withholding, (ii) provide an accurate taxpayer identification number and certify that no loss of exemption from backup withholding has occurred. Holders that are not U.S. persons generally are not subject to information reporting or backup withholding. However, such holders may be required to provide a certification to establish their non-U.S. status and the identity of their interest holders that are U.S. persons in connection with payments received within the United States or from certain U.S.-related payors.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability. You may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

PLAN OF DISTRIBUTION

We intend to offer the notes through the Initial Purchasers. BNP Paribas, Deutsche Bank AG, London Branch, Société Générale, Citigroup Global Markets Limited and Natixis are the Initial Purchasers.

Under the terms and subject to the conditions contained in a purchase agreement dated April 14, 2011, we have agreed to sell to the initial purchasers and each initial purchaser has agreed, severally and not jointly, to purchase from us €325 million aggregate principal amount of the euro-denominated notes and \$475 million aggregate principal amount of the dollar-denominated notes. The purchase agreement provides that the initial purchasers are obligated, severally and not jointly, to purchase all of the notes if any are purchased. In the event that an initial purchaser fails or refuses to purchase the notes which it has agreed to purchase, the purchase agreement provides that the purchase commitments of the other initial purchasers may be increased or that the purchase agreement may be terminated.

The initial purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The purchase price for the notes will be the relevant initial offering price set forth on the cover page of this Luxembourg listing particulars less an underwriting discount paid to the initial purchasers. The initial purchasers propose to offer the notes for resale initially at the offering prices on the cover page of this Luxembourg listing particulars. After the initial offering of the notes, the offering prices and other selling terms may from time to time be varied by the initial purchasers without notice. The initial purchasers may offer and sell notes through certain of their affiliates.

We have agreed to pay the initial purchasers certain customary fees for their services in connection with the offering and to reimburse them for certain out-of-pocket expenses. We have also agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

United States

The notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Notice to Investors."

Accordingly, each of the initial purchasers, severally and not jointly, has represented and agreed that it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Notes as part of their initial offering except (A) within the United States, to persons whom it reasonably believes to be QIBs or (B) to persons outside the United States, in reliance upon Regulation S.

EEA

Each initial purchaser, severally and not jointly, has represented and agreed that it has not made and will not make an offer of the notes to the public in any of the Member States of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State"), except that it may offer the notes:

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

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

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

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

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

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

General

No sale of similar securities

The Issuer has agreed, subject to certain limited exceptions, that they or their affiliates and subsidiaries will not, directly or indirectly, sell or offer to sell any of the notes or any instrument relating to debt or preferred equity securities for a period of 120 days from the date the notes are issued without first obtaining the written consents of the initial purchasers.

New issue of notes

The notes are a new issue of securities for which there currently is no established trading market. In addition, the notes are subject to certain restrictions on resale and transfer as described under “Notice to Investors.” Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market of the Luxembourg Stock Exchange. While the Initial Purchasers have informed us that they currently intend to make a market in the notes, they are not obligated to do so and they may discontinue market making activities in their sole discretion at any time without notice. Accordingly, we can give no assurance as to the development or liquidity of any market for the notes.

Price stabilization and short positions

In connection with the offering of the notes, regarding the euro-denominated notes, BNP Paribas or its affiliates (the “Euro Stabilizing Manager”), and regarding the dollar-denominated notes, Deutsche Bank AG, London Branch or its affiliates (the “Dollar Stabilizing Manager”, and, together with the Euro Stabilizing Manager, the “Stabilizing Managers”), may engage in over-allotment, stabilizing transactions and syndicate-covering transactions and penalty bids. Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate-covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate-covering transactions may cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. Penalty bids permit the Stabilizing Managers to reclaim a selling concession from a broker/dealer when the notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions. If the Stabilizing Managers engage in stabilizing or syndicate-covering transactions, they may discontinue them at any time. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the notes.

Other relationships

The initial purchasers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of their business, the initial purchasers, directly or through their affiliates, have engaged, and in the future may engage, in commercial banking, investment banking, advisory and consulting services with us and our affiliates, from time to time, for which they have been or will be paid customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. In addition, certain of

the initial purchasers and their affiliates are lenders, and in some cases agents or managers for the lenders, under the Revolving Credit Facility and under other credit facilities, acted as initial purchasers for our prior bond offerings, and are acting and have acted as dealer managers in connection with tender offers we make. Furthermore, we established a steering committee of our main creditors to facilitate discussions and negotiations regarding amendments to the instruments governing our financial indebtedness, with BNP Paribas and Société Générale acting as coordinators of the steering committee.

Stamp tax

Persons who purchase notes from the initial purchasers may be required to pay stamp duty, taxes and other charges in accordance with the law and practice of the country of purchase in addition to the offering price set forth on the cover page of this Luxembourg listing particulars although this payment may be born or indemnified by the Issuer under certain circumstances. See “Description of Notes—Additional Amounts”.

Initial Settlement

It is expected that delivery of the notes will be made against payment therefore on or about the date specified on the cover page of this Luxembourg listing particulars, which will be the fifth business day following the date of pricing of the notes (this settlement cycle is being referred to as “T+5”). Under Rule 15(c)6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on the date of pricing or the next succeeding business day will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes on the date of pricing or the next succeeding business day should consult their own advisor.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the notes offered hereby.

The notes have not been and will not be registered under the Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, we are offering and selling the notes to the initial purchasers for re-offer and re-sale only to qualified institutional buyers (“QIBs”) (as defined in Rule 144A under the Securities Act (“Rule 144A”)) in reliance on Rule 144A and to persons outside the United States in compliance with Regulation S under the Securities Act.

Each purchaser of notes (other than each of the initial purchasers), by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the initial purchasers as follows (terms used in this paragraph that are defined in Rule 144A and Regulation S are used herein as defined therein):

(1) It understands and acknowledges that the notes have not been registered under the Securities Act or any other applicable securities law, are being offered for resale in transactions not requiring registration under the Securities Act or any other securities law, including sales pursuant to Rule 144A under the Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.

(2) It is not an “affiliate” (as defined in Rule 144 under the Securities Act) of ours or acting on our behalf and it is either: (a) a QIB (within the meaning of Rule 144A) and is aware that any sale of notes to it will be made in reliance on Rule 144A under the Securities Act, of which the acquisition will be for its own account or for the account of another QIB; or (b) not a “U.S. person” (within the meaning of Regulation S) nor purchasing for the account or benefit of a U.S. person (other than a distributor) and is purchasing the notes in an offshore transaction in accordance with Regulation S.

(3) It acknowledges that neither we nor the initial purchasers, nor any person representing us or the initial purchasers, has made any representation to it with respect to the offering or sale of any notes, other than the information contained in this Luxembourg listing particulars, which Luxembourg listing particulars has been delivered to it and upon which it is relying in making its investment decision with respect to the notes. It acknowledges that none of the initial purchasers or any person representing the initial purchasers makes any representation or warranty as to the accuracy or completeness of this Luxembourg listing particulars. It has had access to such financial and other information concerning us and the notes as it has deemed necessary in connection with its decision to purchase any of the notes, including an opportunity to ask questions of, and request information from us and the initial purchasers.

(4) It is purchasing the notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act or pursuant to an effective registration statement under the Securities Act.

(5) It understands and agrees that if in the future it decides to resell, pledge or otherwise transfer any notes or any beneficial interests in any notes prior to the date which is one year (or such shorter period of time as permitted by Rule 144 under the Securities Act or any successor provision thereunder) after the later of the date of original issue and the last date on which the Issuer or any affiliate of the Issuer was the owner of the notes (or any predecessor thereto), it will do so only (i) to the Issuer or any subsidiary thereof, (ii) for so long as the notes are eligible pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a QIB who purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iii) to persons other than U.S. persons, outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act, (iv) pursuant to any other available exemption from registration under the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and in each of such cases in compliance with any applicable securities law of any state of the United States.

(6) The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. Each purchaser acknowledges that we and the trustee under the Indenture reserve the right prior to any offer, sale or transfer described under 5(iii) and (iv) above to require the delivery of an opinion of counsel, certification and/or other information satisfactory to us and the trustee. Each purchaser acknowledges that each note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY, BY ITS ACQUISITION HEREOF (1) REPRESENTS THAT IT IS (A) A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) (“QIB”) OR (B) IT IS NOT A “U.S. PERSON” (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) AND IS ACQUIRING THIS SECURITY OUTSIDE THE UNITED STATES OR IN AN “OFFSHORE TRANSACTION” (AS DEFINED UNDER REGULATION S UNDER THE U.S. SECURITIES ACT); (2) AGREES, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT WILL NOT PRIOR TO THE DATE WHICH IS ONE YEAR (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE U.S. SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE DATE OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST IN THIS SECURITY EXCEPT, ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING RESTRICTIONS.

(7) It agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes.

(8) It acknowledges that, until the expiration of 40 days after the later of the commencement of the offering or the closing date, any offer or sale of the notes within the United States by a broker/dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act.

(9) It acknowledges that the trustee will not be required to accept for registration of transfer any notes except upon presentation of evidence satisfactory to us and the trustee that the restrictions set forth therein have been complied with.

(10) Each purchaser and subsequent transferee of a Senior Note or a Senior Secured Note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the relevant Notes constitutes assets of any “employee benefit plan” (as defined in Section 3(3)

the Employee Retirement Income Security Act of 1974, as amended, or “ERISA,”) subject to Title I of ERISA, any plan, individual retirement account or other arrangement subject to Section 4975 of the Internal Revenue Code of 1986, as amended from time to time, including the regulations promulgated and the rules issued thereunder, or the “Code,” or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Law”), or any entity whose underlying assets are considered to include “plan assets” (within the meaning of Section 2510.3-101 of Title 29 of the United States Code of Federal Regulations, as modified by Section 3(42) of ERISA) of any such plan, account or (ii) the purchase and holding of the Notes does not and will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

(11) It acknowledges that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the notes are no longer accurate, it shall promptly notify us and the initial purchasers in writing. If it is acquiring any notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(12) It understands that no action has been taken in any jurisdiction (including the United States) by us or the initial purchasers that would permit a public offering of the notes or the possession, circulation or distribution of this Luxembourg listing particulars or any other material relating to us or the notes in any jurisdiction where action for the purpose is required. Consequently, any transfer of the notes will be subject to the selling restrictions set forth in this “Notice to Investors” and under “Plan of Distribution.”

LEGAL MATTERS

Willkie Farr & Gallagher LLP, our United States and French counsel, has passed upon the validity of the notes and certain other legal matters relating to the offering with respect to U.S. federal, New York state and French law. Certain legal matters relating to the offering will be passed upon on behalf of the initial purchasers by Cravath, Swaine & Moore LLP with respect to matters of U.S. federal and New York state law and by Bredin Prat with respect to matters of French law.

INDEPENDENT AUDITORS

The consolidated financial statements of CMA CGM S.A. as of and for the years ended December 31, 2010 and 2009 included in this Luxembourg listing particulars have been audited by PricewaterhouseCoopers Audit and KPMG Audit, a division of KPMG S.A., CMA CGM's statutory auditors, as stated in their report appearing herein.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are a French company, and a majority of the members of our Board of Directors and other key management are resident outside of the United States. In addition, the majority of our subsidiaries, a majority of our assets and the source of the majority of our cash flow are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons, us or any of our subsidiaries, or to enforce, in U.S. courts or in courts outside the United States, judgments obtained against these persons, us or any of our subsidiaries, particularly judgments obtained in U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States despite the fact that, pursuant to the terms of the indenture, the Issuer has appointed or will appoint an agent for the service of process in New York.

GENERAL INFORMATION

(1) Our registered address is 4 Quai d'Arenc, 13235 Marseilles (Cedex 02), France.

(2) Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market of the Luxembourg Stock Exchange. Notice of any optional redemption, change of control or any change in the rate of interest, as applicable, of the notes will be published in a Luxembourg newspaper of general circulation and may be also published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

(3) The notes have been authorized by resolutions of our Board of Directors, dated December 16, 2010 and February 25, 2011. Except as disclosed in this Luxembourg listing particulars, there has been no material adverse change in our financial condition since our latest audited financial statements. In addition, except as disclosed in this Luxembourg listing particulars, since such date, there has been no material change in our long-term liabilities and fund reserves, in the context of the issue of the notes.

(4) Throughout the term of the notes and from the date hereof, copies of our Articles of Association, the Indentures, and the most recent audited financial statements may be inspected at the office of the Luxembourg Paying Agent. So long as any notes will be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, we will maintain a paying agent and transfer agent in Luxembourg. The Bank of New York Mellon (Luxembourg) S.A. will initially act as paying agent and transfer agent in Luxembourg.

(5) Except as disclosed in this Luxembourg listing particulars, we are neither involved in, nor have any knowledge of a threat of, any litigation, administrative proceedings or arbitration that is or may be material in the context of the issue of the notes.

(6) The notes have been accepted for clearance through DTC, Eurostar and Clearstream with the following Common Codes and ISIN numbers:

The euro-denominated notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The euro-denominated notes sold pursuant to Rule 144A have a common code of 061867619. The euro-denominated notes sold pursuant to Regulation S have a common code of 061866256. The euro-denominated notes sold pursuant to Rule 144A have an ISIN of XS0618676190 and the euro-denominated notes sold pursuant to Regulation S have an ISIN of XS0618662562.

The dollar-denominated notes have been accepted for clearance through the facilities of DTC. The dollar-denominated notes sold pursuant to Rule 144A have an ISIN of US189909AC82 and the dollar-denominated notes sold pursuant to Regulation S have an ISIN of USF2020UAD12. The dollar-denominated notes sold pursuant to Rule 144A have a CUSIP of 189909AC8 and the dollar-denominated notes sold pursuant to Regulation S have a CUSIP of F2020UAD1. The dollar-denominated notes sold pursuant to Rule 144A have a common code of 061883657 and the dollar-denominated notes sold pursuant to Regulation S have a common code of 061883576.

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Consolidated audited financial statements of CMA CGM as of and for the years ended December 31, 2010 and 2009

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PricewaterhouseCoopers Audit
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10 place de la Joliette—BP 81525
13567 Marseilles Cedex 02
France

KPMG Audit
480 Avenue du Prado
13272 Marseilles Cedex 08
France

CMA CGM S.A.

**Special purpose Auditors' report on the consolidated financial statements
For the years ended December 31, 2010 and 2009**

To the Chairman of the Board of Directors,

In our capacity as Statutory Auditors of CMA CGM S.A. and in compliance with your request in the context of the projected issuance in 2011 of a USD 800 million or equivalent Senior Notes, we have audited the accompanying consolidated financial statements of CMA CGM S.A. for the years ended December 31, 2010 and 2009.

Management is responsible for the preparation and fair presentation of these consolidated financial statements which, as they are not intended for the shareholders, will not be subject to approval by the Shareholders' Meeting. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures, on a test basis or by other means of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position and assets and liabilities of CMA CGM S.A. and its subsidiaries as of December 31, 2010 and 2009 and the results of their operations for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the following notes to the consolidated financial statements:

- Notes 3.1 and 3.3 indicate that the Company reached agreements with its principal lenders in 2011 to cure or waive the Company's past breaches of covenants and define new terms and conditions applicable to this financing. These new facts and circumstances alleviated the material uncertainties surrounding the Company's ability to continue as a going concern.
- Note 1 provides the context and the basis of the preparation of these consolidated financial statements and the purpose of the additional information relating to the year ended December 31, 2008.

This special purpose report does not constitute the Statutory Auditors' report on the consolidated financial statements as of and for the year ended December 31, 2010 which includes specific information required by French law.

This report is issued in the context described above and is not to be used, circulated, quoted or otherwise referred to for any other purposes.

This report shall be governed by, and construed in accordance with French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter or this report, and any matter arising from them. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

February 25, 2011, except for the effect on the consolidated financial statements of the amendments which are referred to in Note 1, as to which the date is April 5, 2011.

The Statutory Auditors

PricewaterhouseCoopers

*PricewaterhouseCoopers is represented by
PricewaterhouseCoopers Audit,
10, place de la Joliette, BP 81525, 13567 Marseilles
France*

KPMG Audit

*Division of KPMG S.A.
Georges Maregiano
Partner*

Consolidated Income Statement
For the years ended December 31, 2010 and 2009

(in USD thousand, except for earnings per share)

	Note	Year ended December 31,		
		2010	2009 (*)	2008 (*)
REVENUE	(5)	14,290,907	10,543,287	15,094,837
Operating expenses	(6) / (8)	(11,780,166)	(11,285,558)	(13,930,366)
Gains / (Losses) on disposal of property and equipment and subsidiaries	(7)	5,723	74,923	96,221
PROFIT / (LOSS) BEFORE DEPRECIATION, AMORTIZATION, IMPAIRMENT LOSSES AND INCOME FROM ASSOCIATES & JOINTLY CONTROLLED ENTITIES		2,516,464	(667,348)	1,260,692
Depreciation and amortization of non-current assets	(14)	(364,652)	(333,116)	(313,554)
Impairment of assets and risks associated to vessels	(3) / (12) / (25)	(51,608)	(499,499)	(4)
Amortization of NPV benefit related to assets		54,468	43,533	35,529
Share of profit (or loss) of associates and joint ventures		10,108	(29,974)	16,850
OPERATING PROFIT / (LOSS)		2,164,780	(1,486,404)	999,513
Cost of net debt	(9)	(276,042)	(268,695)	(224,652)
Other financial items	(10)	(210,929)	309,088	(849,040)
FINANCIAL RESULT		(486,971)	40,393	(1,073,692)
PROFIT / (LOSS) BEFORE TAX		1,677,809	(1,446,011)	(74,179)
Income taxes	(11)	(23,784)	15,424	198,224
PROFIT / (LOSS) FOR THE YEAR		1,654,025	(1,430,587)	124,045
Attributable to non-controlling interests		27,284	16,461	12,523
Attributable to the owners of the parent company		1,626,741	(1,447,048)	111,522
<i>Earnings per share basic and diluted attributable to the owners of the parent company (in U.S. Dollars)</i>		<i>153.8</i>	<i>(136.8)</i>	<i>10.5</i>

(*) Years 2009 and 2008 were restated in accordance with the change of accounting policy described in Note 2.2: adoption of IFRIC 12 "Service Concession Arrangements". The year 2008 was added for comparative purpose—see Note 1.

Consolidated Statement of Comprehensive Income
For the years ended December 31, 2010 and 2009

(in USD thousand)

	<u>Year ended December 31,</u>		
	<u>2010</u>	<u>2009 (*)</u>	<u>2008 (*)</u>
Other Comprehensive Income			
Profit / (Loss) for the year	1,654,025	(1,430,587)	124,045
Other comprehensive income:			
Cash flow hedges:			
Gains / (losses) arising during the year	(26,931)	708,355	(1,026,439)
Less:reclassification adjustments to the income statement	(67,359)	(7,165)	25,981
Gains (losses) on property revaluation:			
Gains / (losses) arising during the year	(1,054)	(58,194)	95,879
Actuarial gains (losses) on defined benefit pension plans	(3,051)	(1,901)	2,555
Available-for-sale financial assets:			
Gains / (losses) arising during the year	—	109,829	(110,881)
Share of other comprehensive income of associates	(135)	503	—
Income tax relating to components of other comprehensive income:			
Gains / (losses) arising during the year **	171	17,093	(32,346)
Currency translation adjustment related to foreign subsidiaries	(49,273)	57,437	(164,797)
Other comprehensive income, net of tax	(147,632)	825,958	(1,210,048)
Total comprehensive income for the year	1,506,393	(604,630)	(1,086,003)
Total comprehensive income attributable to:			
Owners of the parent company	1,480,411	(623,953)	(1,095,226)
Non-Controlling interests	25,982	19,323	9,023
	<u>1,506,393</u>	<u>(604,630)</u>	<u>(1,086,203)</u>

(*) Years 2009 and 2008 were restated in accordance with the change of accounting policy described in Note 2.2: adoption of IFRIC 12 "Service Concession Arrangements". The year 2008 was added for comparative purpose—see Note 1.

(**) The income tax related to each component of other comprehensive income is disclosed in note 19

Consolidated Balance Sheet-Assets
As at December 31, 2010 and 2009

(in USD thousand)

	Note	As at December 31, 2010	As at December 31, 2009 (*)
ASSETS			
Goodwill	(12)	432,606	448,465
Other intangible assets	(13)	289,772	307,549
		722,378	756,014
INTANGIBLE ASSETS			
Vessels	(14)	5,518,981	4,882,030
Containers	(14)	949,590	1,021,266
Land and buildings	(14)	669,269	648,658
Other property and equipment	(14)	364,151	287,263
		7,501,991	6,839,217
PROPERTY AND EQUIPMENT			
Deferred tax assets	(19)	250,465	274,360
Investments in associates and joint ventures	(18)	336,663	323,441
Derivative financial instruments	(15)	17,852	31,365
Other financial assets	(16)	677,222	543,503
		9,506,571	8,767,900
NON-CURRENT ASSETS			
Inventories	(20)	405,026	321,645
Trade and other receivables	(21)	2,031,649	1,943,230
Derivative financial instruments	(15)	47,926	51,976
Financial assets at fair value through profit and loss	(22)	28,539	40,611
Cash and cash equivalents	(23)	538,688	589,920
Prepaid expenses	(24)	236,168	236,227
		3,287,996	3,183,609
CURRENT ASSETS			
Assets classified as held-for-sale	(25)	473,083	256,401
		13,267,650	12,207,910
TOTAL ASSETS			

(*) Years 2009 and 2008 were restated in accordance with the change of accounting policy described in Note 2.2: adoption of IFRIC 12 "Service Concession Arrangements". The year 2008 was added for comparative purpose—see Note 1.

Consolidated Balance Sheet-Liabilities
As at December 31, 2010 and 2009

(in USD thousand)

	Note	As at December 31, 2010	As at December 31, 2009 (*)
LIABILITIES AND EQUITY			
Share capital		169,200	169,200
Reserves and retained earnings		1,635,566	3,228,944
Profit / (Loss) for the period attributable to the equity owners of the parent company		1,626,741	(1,447,048)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		3,431,507	1,951,096
Non-controlling interests		45,075	36,847
TOTAL EQUITY		3,476,582	1,987,943
Financial debt (**)	(27)	1,291,760	1,038,306
Derivative financial instruments	(15)	180,168	235,459
Deferred tax liabilities		39,240	49,605
Provisions and retirement benefits obligations	(28)	191,413	205,085
Non-current deferred income	(24)	94,429	125,897
NON-CURRENT LIABILITIES		1,797,010	1,654,352
Financial debt (**)	(27)	4,298,907	5,174,573
Derivative financial instruments	(15)	102,330	98,692
Current portion of provisions	(28)	96,338	89,853
Trade and other payables	(21)	2,572,867	2,661,353
Current deferred income	(24)	588,589	488,913
CURRENT LIABILITIES		7,659,031	8,513,384
Liabilities associated with assets classified as held-for-sale	(25)	335,027	52,231
TOTAL LIABILITIES & EQUITY		13,267,650	12,207,910
(*) Years 2009 and 2008 were restated in accordance with the change of accounting policy described in Note 2.2: adoption of IFRIC 12 "Service Concession Arrangements". The year 2008 was added for comparative purpose—see Note 1.			
(**) Total Financial debt current and non-current	(27)	5,590,667	6,212,879

Consolidated Statement of changes in equity
For the years ended December 31, 2010 and 2009

(in USD thousand, except number of shares)

	Attributable to the equity owners of the parent								
	Number of shares	Share capital	Reserves			Profit / (Loss) for the period	TOTAL	Non-controlling interests	Total Equity
			Premium, legal reserves and retained earnings	Other reserves (See Note 26)	Currency translation adjustments				
Balance as at January 1, 2008 (*)	10,578,357	169,200	2,071,194	250,219	202,850	965,663	3,659,126	32,596	3,691,721
Total income & expense for the year 2008 recognized directly in Equity	—	—	—	(1,045,521)	(161,227)	—	(1,206,747)	(3,500)	(1,210,247)
Profit for the year	—	—	—	—	—	111,522	111,522	12,523	124,045
Total income & expense for the year 2008	—	—	—	(1,045,521)	(161,227)	111,522	(1,095,226)	9,023	(1,086,203)
Allocation of prior year profit	—	—	965,663	—	—	(965,663)	—	—	—
Change in perimeter	—	—	—	—	—	—	—	(1,441)	(1,441)
Dividends	—	—	(30,946)	—	—	—	(30,946)	(16,392)	(47,338)
Balance as at December 31, 2008 (*)	10,578,357	169,200	3,005,911	(795,302)	41,623	111,522	2,532,953	23,786	2,556,739
Balance as at January 1, 2009 (*)	10,578,357	169,200	3,005,910	(795,302)	41,623	111,522	2,532,953	23,786	2,556,739
Total income & expense for the year 2009 recognized directly in Equity	—	—	—	768,554	54,541	—	823,095	2,862	825,957
Profit / (Loss) of the period	—	—	—	—	—	(1,447,048)	(1,447,048)	16,461	(1,430,587)
Total income & expense for the year 2009	—	—	—	768,554	54,541	(1,447,048)	(623,953)	19,323	(604,630)
Allocation of prior year profit	—	—	111,522	—	—	(111,522)	—	—	—
Reclassification of other comprehensive income into reserves	—	—	42,096	—	—	—	42,096	—	42,096
Change in perimeter	—	—	—	—	—	—	—	11,238	11,238
Dividends	—	—	—	—	—	—	—	(17,500)	(17,500)
Balance as at December 31, 2009 (*)	10,578,357	169,200	3,159,529	(26,748)	96,163	(1,447,048)	1,951,096	36,847	1,987,943
Balance as at January 1, 2010 (*)	10,578,357	169,200	3,159,529	(26,748)	96,163	(1,447,048)	1,951,096	36,847	1,987,943
Total income & expense for the year 2010 recognized directly in Equity	—	—	—	(98,123)	(48,207)	—	(146,330)	(1,302)	(147,632)
Profit / (Loss) of the year	—	—	—	—	—	1,626,741	1,626,741	27,284	1,654,025
Total income & expense for the year 2010	—	—	—	(98,123)	(48,207)	1,626,741	1,480,411	25,982	1,506,393
Allocation of the prior year Loss	—	—	(1,447,048)	—	—	1,447,048	—	—	—
Change in perimeter	—	—	—	—	—	—	—	1,741	1,741
Dividends	—	—	0	—	—	—	0	(19,495)	(19,495)
Balance as at December 31, 2010	10,578,357	169,200	1,712,481	(124,871)	47,956	1,626,741	3,431,507	45,075	3,476,582

(*) Years 2009 and 2008 were restated in accordance with the change of accounting policy described in Note 2.2: adoption of IFRIC 12 "Service Concession Arrangements". The year 2008 was added for comparative purpose—see Note 1.

Consolidated Cash Flow Statement
For the years ended December 31, 2010 and 2009

(in USD thousand)

	Note	Year ended December 31,		
		2010	2009 (*)	2008 (*)
Profit / (Loss) for the year		1,654,025	(1,430,587)	124,045
Reconciliation of profit / (Loss) for the year to cash generated from operations:				
- Depreciation and amortization	(13) / (14)	364,652	333,116	313,558
- Amortization of NPV benefit related to vessels		(54,468)	(43,533)	(35,529)
- Impairment of assets	(3)	51,608	499,499	—
- (Increase) / Decrease in provisions		(12,589)	46,265	(10,892)
- Gains on disposals of property and equipment and subsidiaries		(5,723)	(74,923)	(96,221)
- Net fair value gains on derivative financial instruments		(105,942)	(384,649)	445,199
- Share of (Income) / Loss from associates and Joint Ventures		(10,108)	29,974	(16,850)
- (Gains) / Losses on disposals and change in fair value of financial assets at fair value through				
Profit and loss		1	(23,533)	85,831
-Deferred tax	(11)	(211)	(49,760)	(210,065)
- Accrued interest and other non cash items		148,308	76,867	114,077
- Financial gain on repurchase of € 500M and \$ 300Mbonds		—	(13,272)	(196,895)
- Unrealized exchange (Gain) / Losses		(88,044)	(2,160)	(17,591)
Changes in working capital:				
- Inventories		(87,171)	(120,010)	74,889
- Trade and accounts receivable		(120,921)	396,962	245,416
- Prepaid expenses		(61,329)	96,772	(81,158)
- Trade and other payables		(104,697)	(174,964)	(12,929)
- Deferred income excluding government subsidies		110,448	(109,590)	(80,843)
Net cash generated from operating activities		1,677,839	(947,526)	644,042
Purchases of intangible assets		(21,141)	(35,072)	(90,486)
Purchases (disposals) of subsidiaries, net of cash acquired (disvested)		383	68,733	825
Purchases of property and equipment	(14)	(1,010,158)	(739,199)	(2,199,812)
Increase in assets held for sale	(25)	(96,117)	—	—
Purchases of non consolidated investments and other financial assets		(13,929)	(14,066)	(85,097)
Proceeds from disposal of property and equipment	(14)	17,956	29,202	657,105
Proceeds from disposal of assets classified as held for sale	(25)	208,633	187,730	89,000
Proceeds from the disposal of / (purchase of) financial assets at fair value through profit and loss, net		11,794	59,463	54,155
Restructuration of Global Ship Lease		—	—	(1,387)
Variation in other long-term investments		(144,632)	(171,958)	(135,513)
Net cash used for investing activities		(1,047,211)	(615,167)	(1,711,210)
Dividends paid to equity holders, net of dividends received from associates and joint ventures		(17,278)	(15,672)	(4,365)
Proceeds from bank borrowings, net of issuance costs	(27)	414,773	757,239	1,321,060
Increase in liabilities associated with assets held for sale		33,130	—	—
Repayments of bank borrowings	(27)	(635,428)	(282,074)	(364,080)
Principal repayments on finance leases	(27)	(290,587)	(162,345)	(240,079)
Repurchase of €500M and \$ 300M bonds		—	(139,535)	(80,295)
Decrease in liabilities associated with assets held for sale		(17,653)	(29,022)	(6,205)
Refinancing of assets		575	(15,854)	(19,321)
Net cash provided by financing activities		(512,468)	112,737	606,715
Effect of exchange rate changes on cash and cash equivalents and bank overdrafts		1,790	15,766	(38,346)
Net increase / (decrease) in cash and cash equivalents and bank overdrafts		119,950	(1,434,190)	(498,799)
Cash and cash equivalents		538,688	589,920	1,877,048
Bank overdrafts		(32,279)	(203,461)	(56,399)
Cash and cash equivalents and bank overdrafts at the end of the year	(23)	506,409	386,459	1,820,649
Supplementary information: non cash investing or financing activities:				
- Assets acquired through finance leases or equivalents		602,901	436,395	131,857
Supplementary information: Financial interest:				
- Cash inflow from interest	(9)	4,238	10,714	53,257
- Cash outflow from interest	(9)	(221,169)	(222,941)	(273,177)

(*) Years 2009 and 2008 were restated in accordance with the change of accounting policy described in Note 2.2: adoption of IFRIC 12 "Service Concession Arrangements". The year 2008 was added for comparative purpose—see Note 1.

Notes to the Annual Consolidated Financial Statements

1. Corporate information

The consolidated financial statements of the Group for each of the two years in the period ended December 31, 2010 have been prepared in the context of the projected issuance of a USD 800 million equivalent Senior Notes in 2011. They are based on (i) the consolidated financial statements of the Group approved by the Board of Directors on February 25, 2011 except for the Notes 3.1, 3.3 and 32 which have been updated on April 5, 2011 to reflect the latest status of the discussions with the Company's lenders and (ii) the consolidated financial statements for the year end December 31, 2009 of the Group approved by the Board of Directors on April 26, 2010 which have been restated in accordance with the change in accounting policy described in note 2.2. For the convenience of the reader, certain additional information relating to the year ended December 31, 2008, restated in accordance with the change in accounting policy described in note 2.2, has been presented in these consolidated financial statements for each of the two years in the period ended December 31, 2010. This information relating to the year ended December 31, 2008 does not purport to represent comparative information in accordance with IAS 1 and as such does not include all of the information that would be required for such comparative information.

The Group is headquartered in France and is the third largest container shipping company in the world. The Group operates primarily in the international containerized transportation of goods. Its activities also include container terminal operations and transport by rail, road and river.

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

2. Accounting policies

2.1 Basis of preparation

The consolidated financial statements of CMA CGM have been prepared under the historical cost basis, with the exception of investment properties, land and buildings, available-for-sale financial assets and derivative financial instruments which have all been measured at fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods, except otherwise stated (see Note 2.2).

Statement of compliance

The consolidated financial statements of CMA CGM have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union ("EU").

Basis of consolidation

The consolidated financial statements comprise the financial statements of CMA CGM S.A. and its subsidiaries at December 31, 2010.

The consolidated financial statements are presented in U.S. Dollars (USD), which is also the currency of the primary economic environment in which CMA CGM S.A. operates (the 'functional currency'), and all values are rounded to the nearest thousand (USD 000) except otherwise indicated.

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group balances, income and expenses and unrealized gains or losses resulting from intra-group transactions are fully eliminated.

The financial statements of subsidiaries have been prepared for the same reporting period as the parent company, using consistent accounting policies.

Non-controlling interests represent the portion of profit and loss and net assets that is not held by the Group and they are presented within equity and in the income statement separately from Group Shareholders' equity and Group profit for the year.

Acquisition of non-controlling interests is accounted for using the purchase method whereby the difference between the consideration and the book value of the share of net assets acquired is recognized in goodwill.

(b) Interests in associates and joint ventures

Companies for which the Group holds 20% or more of the voting rights or over which the Group has significant influence in terms of management and financial policy are accounted for under the equity method. The Group's interests in jointly controlled entities are accounted for under the equity method.

Under the equity method, equity interests are accounted for at cost, adjusted for by the post-acquisition changes in the investor's share of net assets of the associate, and reduced by any distributions (dividends).

The carrying amount of these companies is presented in the line "Investments in associates and joint ventures" on the balance sheet.

"Share of profit (or loss) of associates and joint ventures" is presented within "Operating profit / (loss)" as it was concluded that the business of these entities forms part of the Company's ongoing operating activities and that such entities cannot be considered as financial investments. This line item includes impairment of goodwill related to associates and joint ventures, financial income and expense and income tax.

An associate's losses exceeding the value of the Group's interest in this entity are not accounted for, unless the Group has a legal or constructive obligation to cover the losses or if the Group has made payments on the associate's behalf.

Any surplus of the investment cost over the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the associate company on the date of acquisition is accounted for as goodwill and included in the carrying amount of the investment.

Any remaining investment in which the Group has ceased to exercise significant influence or joint control is not accounted for in equity and is valued at fair value (considered as available-for-sale financial assets).

2.2 Change in accounting policies and new accounting policies

Adoption of new and amended IFRS and IFRIC interpretations during the year ended December 31, 2010:

The Group has adopted the following new and amended IFRS and IFRIC interpretations that are mandatory for the first time for the financial year beginning January 1, 2010. The effect on the financial performance or position related to the adoption of these revised standards and interpretations is presented below.

The principal effects of these changes are as follows:

- IFRS 3 (revised), "Business combinations", and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates", and IAS 31, "Interests in joint ventures", are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. For acquisition in stages, the revised standard requires goodwill to be determined only at the acquisition date rather than at the previous stages. The determination of goodwill includes the previously held equity interest to be adjusted to fair value, with any gain or loss recorded in the income statement. The adoption of this set of revised standards had no material effect on the financial position of the Group as the Company did not acquire any significant operation.

- IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit or loss. The adoption of this revised standard had no material effect on the financial position of the Group as there has been no significant transaction implying non-controlling interests.
- IFRIC 12 “Service concession arrangements”, this interpretation provides guidance on service concession arrangements by which a government or other public sector entity grants contracts for the supply of public services to private sector operators. It deals with the accounting treatment that should be applied by the service concession operators and explains how to account for the obligations undertaken and the rights received.

This standard, applied retrospectively in accordance with IAS 8, has impacted the accounting for the concession of a container terminal located in Morocco that qualifies for the “intangible asset model”. Accordingly, the Group transferred certain items previously recognized as equipment to intangible assets and recorded the future royalties payable over the concession period on a discounted basis as a liability in the balance sheet with a corresponding amount recorded within intangible assets representing the right to operate the terminal.

Balances as at January 1, 2009 and December 31, 2009 have been adjusted by the following amounts to present the effect of the retrospective application of IFRIC 12:

	<u>As at December 31, 2009</u>	<u>As at January 1, 2009</u>
Other intangible assets	74,588	57,551
Property and equipment	(28,324)	(11,278)
Total equity (*)	(14,750)	(9,547)
Financial debt current and non-current portion	61,014	55,820

(*) Of which (5,646) thousand U.S. Dollar related to Profit / (Loss) for the year as at December 31, 2009

The presentation of an adjusted balance sheet as at opening date of the earliest period presented has been omitted considering the non significant impact of the application of IFRIC 12. The effect of the adoption of IFRIC 12 on the year 2008 was assessed as immaterial.

New and amended IFRS and IFRIC interpretations mandatory for the first time for the financial year beginning January 1, 2010 but not currently relevant, significant or applicable for the Group (although they may affect the accounting for future transactions and events).

- IAS 1 (amendment), “Presentation of financial statements”. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of a current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.
- IAS 36 (amendment), “Impairment of assets”, effective January 1, 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, Operating segments’ (that is, before the aggregation of segments with similar economic characteristics).
- IAS 39 “Financial instruments: Recognition and measurement” (amendments). This amendment clarifies how to determine whether a hedge risk is eligible to cash flow in a particular situation.
- IFRIC 16 “Hedges of net investment in a foreign operation” (amendments). This interpretation addresses the nature of the hedge risks that qualify to net investment hedge accounting.
- IFRIC 17 “Distribution of non-cash assets to owners”. The interpretation is wide and applies to any non-reciprocal distribution of non-cash or assets.

- IFRIC 18 “Transfer of assets from customers”. This interpretation provides guidance on when and how to recognize such assets. Entities will need to carefully analyze all the facts and circumstances to assess whether they actually control the assets in question and whether they need to make changes to their revenue policies that would, in turn, significantly affect their future operating results and net asset positions.
- IFRS 5 (amendment), “Non-current assets held for sale and discontinued operations”. The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations.

New IFRS and IFRIC interpretations not effective for the financial year beginning January 1, 2010 and not early adopted:

- Revised IAS 24 (revised), “Related party disclosures”, issued in November 2009. It supersedes IAS 24, “Related party disclosures”, issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after January 1, 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group will apply the revised standard from January 1, 2011.
- IFRIC 19, “Extinguishing financial liabilities with equity instruments”, effective July 1, 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. The group will apply the interpretation from January 1, 2011, subject to endorsement by the EU. It is not expected to have any impact on the Group entity’s financial statements.
- “Prepayments of a minimum funding requirement” (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, “IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction”. Without the amendments, entities are not permitted to recognize some voluntary prepayments for minimum funding contributions as an asset. The amendments are effective for annual periods beginning January 1, 2011. The amendments should be applied retrospectively to the earliest comparative period presented.

2.3 Significant accounting judgments, estimates and assumptions

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

Although these consolidated financial statements reflect management’s best estimates based on information available at the time of the preparation of these financial statements, the outcome of transactions and actual situations could differ from those estimates due to changes in assumptions or economic conditions.

The main sensitive accounting methods involving use of estimates and judgments are described below.

Impairment of non-financial assets

When value in use calculations are undertaken, management must estimate the expected future cash flows of the asset or cash-generating unit and choose a suitable discount rate and a perpetual long-term growth rate in order to calculate the present value of those cash flows. These estimates take into account certain assumptions about the global economic situation and the future growth of the container shipping industry.

The main assumptions used by the Company in order to perform the impairment test of the non-financial assets are the following:

- The level at which the assets were tested:
 - CMA CGM is organized as a container carrier, managing its customer base and fleet of vessels and containers on a global basis. Large customers are dealt with centrally and assets are regularly reallocated within trades according to demand. Even though certain trades may have their own

specificities, none generates cash flows independently of the others. As such, vessels, containers, goodwill and other long-term assets related to the container shipping activity are not tested individually but rather on the basis of the cash flows generated by the overall container shipping activity.

- For other activities, such as terminal operations, the cash generating units (“CGU”) correspond to each individual terminal or entity, or to a group of terminals or entities when they operate in the same geographic area and their activities are interrelated.
- For the container shipping activity, which represents the vast majority of the Company’s business, the cash flows used to determine the value in use are based on the Group’s business plan prepared by management, which covers a 5 year period. The discount rates used for testing purposes vary between 8% and 10%, depending upon the inherent risk of each activity tested. These rates may differ from the weighted average cost of capital of the Group.
- The perpetual growth rate applied to periods subsequent to those covered by management’s business plan was set at zero.

In 2010, no significant impairment loss was recognized on tests performed at cash generating unit levels.

Regarding the container shipping activity, if the discount rate had been increased by 1%, the net present value of future cash flows would have been lower by USD 1,187 million, which would not have resulted in any impairment charge. The estimated fair value of the container shipping assets to be tested would have been approximate to its carrying amount if the discount rate was increased by 3%.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other long-term and post-employment benefit obligations is determined based on actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates, medical care inflation rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to uncertainty. The Group uses the services of a third party actuary to perform these valuations.

Financial instruments

In measuring the fair value of financial instruments (essentially bunkers and interest rate derivative instruments), the Group uses valuation models involving a certain number of assumptions subject to uncertainty. Any change in those assumptions could have a significant impact on the financial statements.

Accruals for port call expenses, transportation costs and handling services

Port call expenses, transportation costs and handling services have to be estimated as there can be delays between the provision of services and the receipt of the final invoices from shipping agents and suppliers throughout the world.

Provision for risks and impairment related to cancellation of vessel orders

In 2009, the Group entered into certain discussions with shipyards in order to cancel certain vessel orders. As at December 31, 2010, the Company recorded the management’s best estimates of the Group’s exposure in terms of prepayments to be waived and compensation to be paid to shipyards for order cancellations in accordance with contractual obligations. Actual results of the Company’s ongoing negotiations may significantly differ from these accounting estimates.

2.4 Summary of significant accounting policies

Translation of financial statements of foreign operations

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in U.S. Dollars, which is the Company's functional and presentation currency.

Translation of financial statements of foreign entities

The financial statements of foreign entities are translated into the presentation currency on the following basis:

- Assets and liabilities are translated using the exchange rate prevailing at year-end;
- The income statement is translated at the average exchange rate for the reporting period; and
- The results of translation differences are recorded as "Currency translation differences" within Equity.

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recorded within other comprehensive income. When a foreign operation is disposed of, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualified as cash flow hedges or net investment hedge.

Foreign exchange gains and losses relating to operational items (mainly trade receivables and payables) are recorded in the line item "Operating exchange gains / (losses), net" within "Operating expenses". Foreign exchange gains and losses relating to financial items are recorded in the line item within "Cost of net debt" for realized exchange gains and losses on financial debt and within "Other financial items" for all other foreign exchange gains and losses.

Exchange rates of significant currencies are as follows:

	Closing rate			Average rate		
	2010	2009	2008	2010	2009	2008
Euro	0.74839	0.69416	0.71855	0.75460	0.71960	0.68330
British pounds sterling	0.64421	0.61648	0.68442	0.64727	0.64132	0.54522
Australian Dollar	0.98309	1.11120	1.45678	1.09014	1.28173	1.19583

Revenue recognition and related expenses

Revenue comprises the fair value of the sale of services, net of value-added tax, rebates and discounts after eliminating sales within the Group.

The Group recognizes revenue when (i) the amount of revenue can be reliably measured, (ii) it is probable that future economic benefits will flow to the entity and (iii) specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Container Shipping

Freight revenues and costs directly attributable to the transport of containers are recognized on a percentage of completion basis, which is based on the proportion of transit time completed at report date for each individual container. Deferred freight revenues and costs directly attributable to containers are reported as deferred income and prepaid expenses.

Other activities

For other activities, revenue is recognized when the services have been rendered or when the goods have been delivered.

Current income tax

The Group is subject to income taxes in numerous jurisdictions. When permitted by local tax authorities, mainly in France, the United Kingdom and Singapore, the Company elected for the tonnage tax regime.

Deferred income tax

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

The deferred income taxes are recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the deferred income taxes are recognized in other comprehensive income or directly in equity, respectively.

Considering the tonnage tax regime applicable to Group shipping activities, differences between taxable and book values of assets and liabilities are generally of a permanent nature. Temporary differences are limited to those arising from other activities which are subject to usual tax laws.

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. As the Company did not issue any dilutive equity instruments, the Diluted earnings per share are equivalent to the Basic earnings per share.

Goodwill and Business Combinations

Business combinations are accounted for using the acquisition method defined in IFRS 3 (R). Accordingly, as of January 1, 2010, all acquisition-related costs are expensed.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Contingent payments classified as debt are subsequently remeasured through the statement of comprehensive income.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Determination of goodwill

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase then the difference is recognized directly in the income statement.

Adjustments are recognized as changes to goodwill, provided they are made within the twelve months of the date of acquisition.

Measurement and presentation of goodwill

Goodwill on acquisition of subsidiaries is disclosed separately in the balance sheet. Goodwill on acquisition of associates is included in investment's net book value.

Goodwill is not amortized but tested for impairment annually and upon the occurrence of an indication of impairment. The impairment recorded may not subsequently be reversed. The impairment testing process is described in the appropriate section of these policies.

At the time of the sale of a subsidiary or a jointly controlled entity, the amount of the goodwill attributable to the subsidiary is included in the calculation of the gain and loss on disposal.

Transactions and non-controlling interests

When purchasing non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Other intangible assets

Intangible assets related to concession arrangements are included in other intangible assets as disclosed in Note 2.2.

Under the terms of IFRIC 12, the Group operates certain terminal regulated concession arrangements meeting the definition the "intangible asset" model. Concession intangible assets correspond to the concession operator's right to operate the asset under concession in exchange for certain future royalty payments. This right corresponds to the cost of equipment acquired to operate the terminal concession plus the estimated discounted value of future royalty payments that are accounted for as a concession liability. This right is amortized over the term of the arrangement. Changes in the measurement of the concession liability that result from changes in the estimated timing or amount of the expected concession royalty payments, or a change in the discount rate, are added to, or deducted from, the cost of the related concession intangible asset in the current period. The adjusted depreciable amount of the concession intangible asset is depreciated over its remaining useful life.

Other intangible assets also consist of software developed and acquired for internal corporate use, which is recorded at the initial acquisition cost plus the cost of development minus the total of the amortization and any impairment loss. In-house software development costs are capitalized in accordance with criteria set out in IAS 38.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Software developed or acquired is amortized on a straight-line basis over five to seven years based on the estimated useful life.

Property and equipment

Items of property and equipment are recognized as assets when it is probable that the future economic benefits associated with the asset will flow to the enterprise; and the cost of the asset can be measured reliably.

Property and equipment, except land and buildings, are recorded at the historical acquisition or manufacturing cost, less accumulated depreciation and any impairment loss. Acquisition or manufacturing costs comprise any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Borrowing costs incurred for the construction of any qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

On initial recognition, the cost of property and equipment acquired is allocated to each component of the asset and depreciated separately.

Maintenance costs are recognized as expenses for the period, with the exception of mandatory dry-docks required to maintain vessel navigation certificates, which constitute an identifiable component upon the acquisition of a vessel and which are thereafter capitalized when the following dry-docks occur. Dry-docks are depreciated over the remaining useful life of the related vessel or to the date of the next dry-dock, whichever is sooner.

Land and buildings are initially recognized at cost plus transaction costs and are subsequently re-measured at fair value less accumulated depreciation on building and impairment losses recognized after the date of revaluation. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the assets revaluation reserve included in other comprehensive income, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Depreciation on assets is calculated using the straight-line method to allocate the cost of each part of the asset to its residual value (scrap value for vessels and containers) over its estimated useful life, as follows:

<u>Asset</u>	<u>Useful life in years</u>
Buildings (depending on components)	15 to 40
New container and Roll-on Roll-off vessels	25
Cruise vessels	25 to 35
Dry-docks (component of vessels)	1 to 7
Second-hand container and Roll-on Roll-off vessels (depending on components)	25 to 30
New barges/ Second-hand barges	40/ 20
New containers	12
Second-hand containers (depending on residual useful life)	3 to 5
Fixtures and fittings	10
Other fixed assets such as handling and stevedoring equipment	3 to 20

The assets' residual values and useful lives are reviewed, and adjusted if necessary, at each balance sheet date. The residual value for vessels is based on the lightweight and the average market price of steel. The residual value for containers is based on the Company's historical experience of the sale of used containers.

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals correspond to the difference between the proceed and the carrying amount of the asset disposed of. These are included in the income statement.

Investment properties

Investments in properties corresponding to buildings leased for rent are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in the income statement in the year in which they arise. Because investment properties are immaterial for the Group, they do not give rise to a separate balance sheet item and are included within "Land and buildings".

Investment properties are no longer recognized when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of derecognition.

Leases

In the course of the business, the Group uses assets made available under lease contracts. These contracts are analyzed based on situations and indicators described in IAS 17 in order to determine whether they are finance leases or operating leases.

Finance leases

When the Company leases assets under long-term contracts or other similar arrangements that transfer a significant portion of the risks and rewards of ownership to the Company, the leased asset is recognized in the balance sheet at the lower of its fair value and the net present value of the minimum lease payments depending on the tax structure of the lease. The net present value of the minimum lease payments is recorded as a liability.

Operating leases

Leases where the lessor substantially retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Amounts of operating lease payments charged to the income statement during the period are presented as disclosed in Note 29 related to commitments.

Sale and leaseback transactions

In the context of sale and operating leaseback transactions, the related profits or losses are accounted for as follows:

- They are recognized immediately when it is established that the transaction is at fair value,
- If the sale price is below fair value, any profit or loss is recognized immediately except if the loss is compensated for by future lease payments at below market price, in which case it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used; and
- If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

In the context of sale and finance leaseback transactions, any gain on the sale is deferred and recognized as financial income over the lease term.

Impairment of non-financial assets

The Group reviews the carrying amounts of property and equipment and intangible assets annually in order to assess whether there is any indication that the value of these assets might not be recoverable. If such an indication exists, the recoverable value of the asset is estimated in order to determine the amount, if any, of the impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment of goodwill and other assets that do not generate cash inflows, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units).

The impairment tests on goodwill are performed annually at the CGU level, unless there is an indication of impairment on other assets' categories. The Group defines its CGU based on the way it monitors and derives economic benefits from the acquired business.

Financial assets

The Group determines the classification of its financial assets at initial recognition. The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss (mainly marketable securities), loans and receivables (cash and cash equivalents, trade and other receivables), available-for-sale financial assets (quoted and unquoted financial instruments) and derivatives. The classification depends on the purpose for which the investments were acquired (see note 17).

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable costs.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. For the Company, this category mainly includes marketable securities (financial assets at fair value through profit and loss) and derivative financial instruments that do not qualify for hedge accounting (financial assets held for trading). Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

Realized and unrealized gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not to be traded. They are included in non-current assets when maturities are over 12 months after the balance sheet date.

Loans and receivables are recognized at amortized cost using the effective interest method (discounting effect is deemed not material for trade receivables), less impairment. An impairment of a loan or a receivable is established when there is objective evidence, based on individual analyses, that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognized in the income statement.

The Company transfers certain receivables of certain shipping agencies by way of a securitization program. The lenders have full recourse in the case of a failure to pay by the debtor. As a portion of the risks and rewards of ownership related to these trade receivables have been retained by the Group, they are not derecognized and a financial debt is recorded against the cash consideration received from the lenders (collateralized borrowing). Similarly, when the Company receives shares from the securitization vehicle either (i) as a consideration for receivables transferred during the period or (ii) as an advance consideration for receivables to be transferred in a subsequent period, the related receivables are not derecognized and maintained in the balance sheet. These commitments are presented as off-balance sheet commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Equity investments in unconsolidated companies and other long-term investments held by the Company are classified as available-for-sale assets.

Investments are initially recognized at fair value plus transaction costs. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently

carried at fair value. Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of income as gains and losses from investment securities.

Fair Value of financial assets

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are largely similar and discounted cash flow analyses refined to reflect the issuer's specific circumstances.

The table below that presents a breakdown of financial assets and liabilities categorized by value (see Note 17) meets the amended requirements of IFRS 7. The fair values are classified using a scale which reflects the nature of the market data used to make the valuations. This scale has three levels of fair value:

- level 1: fair value calculated from the exchange rate/price quoted on the active market for identical instruments;
- level 2: fair value calculated from valuation techniques based on observable data such as active prices or similar liabilities or scopes quoted on the active market;
- level 3: fair value from valuation techniques which rely completely or in part on non observable data such as prices on an inactive market or the valuation on a multiples basis for non quoted securities.

Impairment of financial assets (available for sale / loan and receivables)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is to be impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are to be impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement regarding equity instruments cannot be reversed through the income statement.

Derivative instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-evaluated at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if this is the case, on the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedge) or hedges of net investments in foreign operations.

The Group documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 15. Movements on the hedging reserve are shown in other comprehensive income.

The Company classifies its derivative instruments in the following categories:

(a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. The income statement impact (effective and ineffective portion) of bunker hedging activities that qualify as cash flow hedges is presented in the line item "Bunkers and Consumables".

Amounts accumulated in other comprehensive income are recycled in the income statement for periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognized in the income statement within "Interest expense on financial debt". The gain or loss relating to the ineffective portion is recognized in the income statement under the heading "Other financial items".

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory), the gains and losses previously deferred in equity are transferred from other comprehensive income and included in the initial measurement of the cost of the non financial asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at this time remains in other comprehensive income and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement.

(b) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income; the gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Gains and losses accumulated in other comprehensive income are included in the income statement when the foreign operation is disposed of.

(c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified as assets or liabilities at fair value through profit or loss, and changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement. The income statement impact of such derivatives is presented in the line item "Other financial items".

Inventories

Inventories are initially recorded at cost. Cost represents the purchase price and any directly attributable costs.

Inventory costs include the transfer from other comprehensive income of any gains/losses on qualifying cash flow hedges relating to inventory purchases. Inventories mainly relate to bunker fuel at the end of the period. Cost is determined on a first-in, first-out basis.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and margin calls related to the Company's derivative financial instruments (see note 22). Those financial assets are classified as loan and receivables and valued as described above. Bank overdrafts are presented within financial debts on the balance sheet.

Non-current assets held-for-sale

Non-current assets and subsidiaries to be disposed of are classified as held-for-sale and measured at the lower of the carrying amount and fair value less costs to sell. Non-current assets and subsidiaries are classified as held-for-sale only when the sale is highly probable and the asset or subsidiary is available for immediate sale in its present condition, subject to terms that are usual and customary for the sale of such items. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Liabilities directly associated with these assets are presented in a separate line in the balance sheet.

When a subsidiary is classified as held-for-sale the depreciation of its non-current assets is discontinued. The profit or loss before depreciation is recognized in the income statement unless the carrying amount of the subsidiary taken as a whole falls below its fair value, in which case an impairment charge is recognized.

Share capital

The share capital is fully constituted of ordinary shares. The Company has not issued any share option plans or dilutive equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

There was no transaction on CMA CGM S.A. share capital over the period presented.

Retirement benefits and similar obligations

Group companies operate in various jurisdictions and provide various pension schemes to employees. The Company has both defined benefit and defined contribution pension plans. The Group has also agreed to provide certain additional post employment healthcare benefits to employees in Morocco.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The post-employment benefit paid to all employees in the Group's home country qualifies as a post-employment defined benefit plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company's employees are generally entitled to pension benefits, in accordance with local regulations:

- Retirement indemnity, paid by the Company on retirement (defined benefit plan); and
- Pension payments from social security bodies, financed by contributions from businesses and employees (defined contribution plan).

The Group's obligations in respect of defined benefit pension schemes and retirement indemnities on retirement are calculated using the projected unit credit method, taking into consideration specific economic conditions prevailing in the various countries concerned and actuarial assumptions. These obligations might be covered by plan assets. The Company obtains an external valuation of these obligations annually.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. Changes in actuarial assumptions arising from experience adjustments are directly recognized in other comprehensive income.

Payments made by the Company for defined contribution plans are accounted for as expenses in the income statement in the period in which the services are rendered.

Past service costs are recognized immediately in the income statement unless the changes to the pension plan are conditional on the employee remaining in service for a specified period of time. In this case, the past service costs are amortized on a straight line basis over the remaining vesting period.

Provisions

The Group recognizes provisions when:

- The Group has a present legal or constructive obligation as a result of past events;
- It is more likely than not that an outflow of resources will be required to settle the obligation; and
- The amount has been reliably estimated.

The Group evaluates provisions based on facts and events known at the closing date, from its past experience and to the best of its knowledge. Provisions mainly cover litigation with third parties such as shipyards, restructuring and cargo claims.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives. The Group determines the classification of its financial liabilities at initial recognition. The Group does not hold over the period presented financial liabilities at fair value through profit and loss.

Financial liabilities are recognized initially at fair value. The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and derivatives (see note 17).

Except for obligations recognized under finance leases, financial debts are recognized initially at fair value, net of transaction costs incurred. Financial debts are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of income over the period of the borrowings using the effective interest method.

Financial debt also comprises obligations recognized under finance lease agreements.

Deferred income

The Company benefits from leveraged tax leases in France, the United Kingdom and Singapore.

When such agreements qualify as finance leases, the Company accounts for the construction cost of the vessel as property and equipment, whereas it accounts for the net present value ("NPV") of future lease payments as obligations under finance leases. The difference between the construction cost of the vessel and the present value of future lease payments representing the benefit earned by the Company through such leveraged tax leases are accounted for as "Deferred income" (allocated between current and noncurrent portion depending on twelve month maturity) within liabilities in the balance sheet. Such benefit is credited to the statement of income on a vessel by vessel basis over the tax financing period under the heading "Amortization of NPV benefit related to assets" which range from 5 to 8 years. This income is presented within "Operating profit / (loss)" as it is considered that this benefit is in effect a reduction of the running cost of the vessel.

Comparative periods

Some of the figures presented in the balance sheet have been reclassified for comparative purposes so that they conform to the financial statements' presentation adopted during the current year.

3. Financial risk management objectives & policies

3.1 Breach of covenants and current status of discussions with lenders

As the Company is still in breach of covenants and the negotiations with lenders were not finalized as at December 31, 2010, the financial debt for which a breach was identified amounting to USD 3,055 million is presented within current liabilities as at December 31, 2010.

On December 15, 2010, the Company submitted a set of restructuring principles to its financial creditors, organized in a Steering Committee, which are currently being validated and implemented. The main restructuring principles include, among other points, the following:

- Banks will waive or cure the Company's breaches of covenants;
- Financial and non-financial covenants applicable in the future will be reassessed;
- Committed financing, suspended during the breach period, will be resumed taking into account revised loan-to-value ratios;
- Bank margins applicable to current and committed financing will be increased on average; and
- Banks will receive certain consent and participation fees.

On January 7, 2011, the Steering Committee formally approved the “Restructuring Principles and Guidelines” which have to be implemented with all the bank syndicates.

The Company has entered into formal bilateral agreements with each individual lender / syndicate to implement the above restructuring agreement.

On January 27, 2011, the Company received USD 500 million in cash in relation to the investment of Yildirim through a subscription to mandatorily redeemable bonds in the Company’s preferred shares. The issuance of these bonds was authorized by a shareholders’ general meeting held on November 22, 2010.

At the date of the publication of these annual consolidated financial statements, the Company received an agreement on these principles from 29 syndicates from a total of 30, which 29 syndicates hold a financial debt amounting to USD 3,709 million.

Had these agreements been received prior December 31, 2010, the maturity of the financial debt disclosed in note 27 would have been presented as follows:

	As at December 31, 2010 (restated)	Reimbursement date : December 31,					
		2011	2012	2013	2014	2015	Onwards
Senior Note	713,571	23,409	383,664	198,550	25,223	25,328	57,397
Bank debt	2,668,331	362,695	333,255	764,890	180,381	174,607	852,504
Obligations under							
finance leases	1,414,309	574,741	180,991	118,159	90,307	214,606	235,505
Bank overdrafts	32,279	32,279	—	—	—	—	—
Other financial							
debts	762,177	402,935	89,294	153,435	3,944	4,211	108,358
Total	5,590,667	1,396,059	987,203	1,235,034	299,855	418,752	1,253,764

At the date of the publication of these annual consolidated financial statements, the Company is still in discussion with one syndicate regarding (i) a waiver of past breaches of covenants for a debt amounting to USD 143 million and (ii) the financing of 3 vessels to be delivered in 2011 and 2012 representing a remaining purchase commitment of USD 360 million. The Company expects to reach an agreement with this syndicate in the near future. In addition, the Company did not receive a formal agreement for the financing of the remaining purchase commitment related to a cruise ship treated as of December 31, 2010 as an asset held for sale and representing a remaining commitment of USD 80 million.

3.2 Vessels under construction

In 2009, the Company cancelled certain vessel orders. Corresponding prepayments amounting to USD 303,308 thousand were reclassified from property and equipment to other non-current financial assets and an impairment charge was recognized for USD 301,494 thousand. In addition to this impairment, as at December 31, 2009 the Company recognized a provision amounting to USD 65,512 thousand to reflect its estimated contractual obligations.

In 2010, a tripartite agreement between a buyer, the shipyard and CMA CGM has been reached on 4 vessels which have been delivered to the buyer and chartered back to the company through operating leases. According to this transaction, the Company recognized an amount of USD 27,719 thousand as an expense accounted for in 2010, included in the line item “Impairment of assets and risks associated to vessels”.

Discussions with other shipyards are still ongoing and accordingly the related impairment and provision have not been modified since the 2009 annual consolidated financial statements.

3.3 Going Concern

As disclosed in Note 3.1, at the date of the publication of these annual consolidated financial statements, the Company did not yet receive waivers for certain of its past breaches of covenant nor secure certain financing. Based on the latest cash flow forecasts, Management considers that the Company will have sufficient available cash to satisfy its contractual obligations and that uncertainties surrounding the Company’s ability to continue as a going concern as December 31, 2010 are now alleviated.

3.4 Other financial risks

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and bunker costs risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial and oil/commodity markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury and bunkering departments according to policies approved by management. These departments identify, evaluate and hedge financial risks in close relation with operational needs. Management provides written principles for overall risk management, as well as written policies covering specific areas, such as bunker risk, foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

(a) Bunker costs risk

The Group's risk management policy is to hedge through "over-the-counter" derivative instruments such as swaps and options. The Company analyzes its exposure to price fluctuations on a continual basis.

The years 2008, 2009 and 2010 have seen an unpredictable volatility in fuel prices that affected the Company hedging portfolio:

Market data as at:	2010	Closing rate 2009	2008	2010	Average rate 2009	2008
Nymex WTI (1st nearby un \$ per barrel)	91.38	79.36	44.60	79.64	62.14	99.73
Brent (1st nearby un \$ per barrel)	94.75	77.93	45.59	80.36	62.74	98.57

The Group's hedging strategy was reassessed for 2009 as follows:

- No new positions that do not qualify to hedge accounting were entered into; and
- The Group unwound certain hedges already in place in order to significantly reduce the risk of downside and to benefit from current market levels.

In 2010, as a result of the observed non-correlation between the Nymex WTI index and bunker prices, certain derivative instruments, historically treated as effective hedges for accounting purposes, were disqualified from cash flow hedge. As at December 31, 2010, due to those temporary market conditions, none of the Company's bunker derivatives qualify as cash flow hedges.

As at December 31, 2010, the Company hedged 7.5 % of expected purchase of bunkers for the next year. New positions will be entered into to maintain this coverage on a rolling basis.

The table below analyses the nominal amount and the fair value of the Group's derivative financial instruments entered into to hedge the Company's exposure to bunker cost fluctuations as at December 31, 2010:

As at December 31, 2010	Nominal amount in thousand U.S. Dollars	Maturity		Fair value
		Less than 1 year	More than 1 year	
Commodity swaps - cash flow hedge	—	—	—	—
Other derivatives - not qualifying for cash flow hedge	611,085	220,683	390,402	(46,932)
Total	611,085	220,683	390,402	(46,932)

* Derivative nominal values per agreement are established in barrels. For the purpose of the above disclosure, nominal values have been converted to dollars using contractual prices (fixed swap price or strike).

With all other variables constant, the effect of a 10% increase in the spot price of bunkers on the 2010 consolidated income statement would have been an increase of USD 1,945 thousand in the fair value of derivatives. An equivalent 10% decrease would have had an impact of USD 7,915 thousand.

(b) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The functional currency of the Group being the U.S. Dollar, the Company is primarily exposed to the Euro and the Pound Sterling currency fluctuations regarding its operational transactions, and to the Euro currency fluctuations regarding its financing transactions. Transactional currency exposure risks arise from sales or purchases by an operating unit in a currency other than the Group's functional currency.

As at December 31, 2010	Carrying amount in thousand U.S. Dollars	USD	EUR	GBP	Others
Trade receivables and prepaid expenses	2,267,817	567,015	1,007,255	137,843	555,704
Cash and cash equivalents and financial assets at fair value through profit and loss	567,227	283,283	113,924	13,435	156,585
Trade payables and current deferred income	3,161,456	1,743,434	591,749	103,754	722,519
Financial Debt	5,590,667	3,246,667	2,060,424	87,641	195,935

This exposure is mitigated to a certain extent by the currency mix of operating revenues and expenses. The Company may conclude certain derivative transactions to hedge specific risks.

The sensitivity of the fair value of derivative instruments to foreign currency fluctuations, with all other variables constant, is not significant for most currencies. Regarding the U.S. Dollar against the Euro, a variation of 0.10 (e.g. 1.47 to 1.57) would result in a reduction of USD 820 thousand in the fair value of derivatives and USD 174 thousand in the interest expense. Regarding the U.S. Dollar against the Yen, a variation of 0.001 (e.g. 0.0089 to 0.0099) would result in a reduction of USD 1,677 thousand in the fair value of derivatives and USD 638 thousand in the interest expense.

(c) Price risk on equity securities

The Group is exposed to an equity securities price risk due to investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through profit and loss and as available-for-sale financial assets. To manage the price risk arising from investments in equity securities, the Group diversifies its portfolio.

A 5% increase on the existing portfolio in equity securities as at December 31, 2010 would have a positive impact on the income statement of USD 1,261 thousand for financial assets at fair value through profit and loss (USD 1,967 thousand as at December 31, 2009).

(d) Cash Flow Interest rate risk

The years 2008, 2009 and 2010 were affected by the global economical down turn, the liquidity crunch and historically low levels of market interest rates.

Market data as at:	Closing rate			Average rate		
	2010	2009	2008	2010	2009	2008
LIBOR USD 3 M	0.30%	0.25%	1.43%	0.34%	0.69%	2.93%

The Group's interest rate risk mainly arises from financial debts. The Company has financial debts (including obligations under capital leases) issued at variable rates (USD Libor) that expose the Company to a cash flow interest rate risk.

The Group's strategy was reassessed in 2010, leading to the unwinding of certain previously held positions.

As at December 31, 2010, taking into account the interest rate hedges, the debts bearing interest at variable rates represent 37% of total debts against 63% at fixed rates.

The table below analyzes the fair value of the Group's interest rate derivatives in relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date.

As at December 31, 2010	Nominal amount in thousand U.S. Dollars	Maturity		Fair value
		Less than 5 years	More than 5 years	
Interest swaps - cash flow hedge	789,169	295,890	427,790	(132,601)
Interest swaps - not qualifying for cash flow hedge	744,230	485,111	259,119	(38,081)
Total	1,533,399	781,001	686,909	(170,682)

The following table presents the sensitivity analysis of the Group's profit before tax and of the Cash Flow reserve as at December 31, 2010 to a possible change in interest rates, with all other variables held constant.

(in USD thousand)	<u>Income Statement impact</u>		<u>Balance Sheet impact</u>	
		<u>Change in fair value of derivatives</u>	<u>Cash Flow Reserve</u>	
U.S Dollar	+1%	59,816	9,896	30,526
Euro	+1%	(329)	168	—
Japanese Yen	+1%	(941)	(873)	—

Credit risk

The Group trades with large, recognized, creditworthy third parties and also with a very large number of smaller customers for which prepayments are often required. Trade receivables and third party agents outstanding balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant (bad debts represent 0.4 % of revenue in 2010 and 0.7 % in 2009). Because of the large customer base, the Group has no significant concentration of credit risk. No customer represents more than 5% of Group revenue.

Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

Liquidity risk

The maturity profile of the Group's financial liabilities at December 31, 2010 based on contractual undiscounted payments is disclosed in Note 27.

The table below presents the undiscounted cash flows of interest swap derivatives based on spot rate as at December 31, 2010 (for translation to U.S. Dollars) and on the interest rate curve as at December 31, 2010:

(in USD thousand)	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Onwards</u>
Interest swaps - Assets	6,095	4,596	2,671	1,313	378	(439)
Interest swaps - Liabilities	(77,112)	(49,062)	(34,016)	(23,219)	(12,788)	(31,890)
Total	(71,017)	(44,466)	(31,345)	(21,906)	(12,410)	(32,329)

* "Interest swaps – Assets" relates to those derivatives which had a positive fair value as of December 31, 2010.

** "Interest swaps – Liabilities" relates to those derivatives which had a negative fair value as of December 31, 2010.

Certain financing agreements contracted by the Group require the fulfillment of financial covenants. Financial covenants generally applicable to these agreements are:

- Maximum leverage ratio (Net Financial Debt / EBITDA); and
- Minimum coverage ratio (EBITDA / Principal and interest repayments);
- Maximum gearing ratio (Net debt / Equity);
- Loan-to-value ratio (financing / market value of related vessel).

Breach of such covenants is described in Note 3.1.

Regarding the liquidity risk linked to vessel financing, please refer to the financial commitments presented in Note 29.

Capital risk management

The Group monitors capital on the basis of the leverage ratio calculated by dividing net debt by EBITDA. Net debt includes financial debt less cash and cash equivalents and marketable securities. EBITDA is a non-IFRS measure defined as Earnings Before Interest, Tax, Depreciation and Amortization and it corresponds to the line "Profit before depreciation, amortization, impairment losses and income associates & jointly controlled entities" in the consolidated income statement. The Group also monitors its coverage ratio, which measures the number of times the Group could make the principals and interest payments on its debt with its EBITDA.

Fair value hierarchy

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2010:

<u>As at December 31, 2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Balance</u>
Assets				
Financial assets at fair value through profit or loss	28,539	—	—	28,539
Derivatives not qualified to hedge accounting	—	61,178	4,600	65,778
Derivatives used for hedging	—	—	—	—
Available-for-sale financial assets	—	—	57,217	57,217
Total Assets	28,539	61,178	61,817	151,534
Liabilities				
Derivatives not qualified to hedge accounting	—	149,009	888	149,897
Derivatives used for hedging	—	132,601	—	132,601
Total Liabilities	—	281,610	888	282,498

The following table presents the group's assets and liabilities that are measured at fair value at December 31, 2009:

<u>As at December 31, 2009</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Balance</u>
Assets				
Financial assets at fair value through profit or loss	40,611	—	—	40,611
Derivatives not qualified to hedge accounting	—	83,341	—	83,341
Derivatives used for hedging	—	—	—	—
Available-for-sale financial assets	—	—	72,445	72,445
Total Assets	40,611	83,341	72,445	196,397
Liabilities				
Derivatives not qualified to hedge accounting	—	216,006	48,727	264,733
Derivatives used for hedging	—	69,418	—	69,418
Total Liabilities	—	285,424	48,727	334,151

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise listed equity investments classified as available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to calculate the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument would be included in level 3.

4. Business combinations and disposal of subsidiaries

Disposal of a 12.5% shareholding in Gemalink Container Terminal ("Gemalink") in June 2010

On June 28, 2010 the Company sold 12.5% of its investment in Gemalink, a company managing a terminal development project in Vietnam, to one of the other shareholders, Gemadept, reducing its remaining stake to 28.6%. The consideration received for this transaction amounted to USD 10,000 thousand. The acquisition was carried out based on the net assets of Gemalink at the transaction date and therefore resulted in no profit or loss for the Company.

Disposal of Mobile Container Terminal ("MCT") in July 2010

On July 1, 2010 the Company sold its 20% stake in MCT to AP Moller Maersk. The cash consideration received for this transaction amounted to USD 6,500 thousand.

The accounting effects of the acquisition can be analyzed as follows:

	<u>Fair values</u>
Cash received	6,500
Carrying amount of the previously held 20% shareholding at transaction date	<u>(4,117)</u>
Gain on disposal	2,383

Acquisition of Nord France Terminal International (“NFTI”) in July 2010

On July 1, 2010 the Company increased its shareholding in NFTI from 30% to 91%. The additional 61% of shares were acquired from AP Moller Maersk for a cash consideration of \$ 6,500 thousand.

The accounting effects of the acquisition can be analyzed as follows:

	<u>Fair values</u>
Cash consideration paid for the acquisition of the additional 61% shareholding, excluding transaction costs	6,500
Carrying amount of the previously held 30% shareholding at trans	<u>10,306</u>
Total consideration, including carrying amount of previously held shareholding	16,806
Terminal assets	24,355
Other tangible & intangible assets	7,628
Minority interests	(1,626)
Provisions including pensions and other obligations	(4,048)
Financial liabilities	(8,868)
Working capital	(1,390)
Cash	<u>383</u>
Less Net asset acquired	16,434
Net loss resulting from the change of control	(372)

Neither of the 2010 transactions described above had a material effect on the operating revenue and expenses reported by the Group over the period.

Disposal of Comanav Ferry in February 2009

On February 11, 2009 the Company sold 100% of its investment in Comanav Ferry through its Moroccan subsidiary Comanav, to a Moroccan company, Comarit. The consideration to be received for this transaction amounted to USD 68,733 thousand. Prior to this transaction, Comanav Ferry was classified as held-for-sale.

The accounting effects of the acquisition can be analyzed as follows:

Assets classified as held-for-sale	98,526
Liabilities associated with assets classified as held-for-sale	<u>(66,073)</u>
Net assets at transaction date	32,453
Consideration to be received	<u>68,733</u>
Gain on disposal of subsidiary	36,280

5. Operating segments

For management purposes, the Group reports two operating segments: container shipping activity, which represents more than 90% of revenue, and other activities. As disclosed in Note 2.3, CMA CGM is organized as a worldwide container carrier, managing its customer base and fleet of vessels and containers on a global basis. As a result, assets, including goodwill, are not monitored by the Company according to geographic area. Other activities include container terminal operations and transport by rail, road and river. Certain items are unallocated as management considers that they do not affect the operating performance of the Group.

Unallocated items include: the amortization of certain deferred transaction costs related to vessel financing (Note 9), restructuring fees (Note 9), early termination cost related to hedge transactions (Note 10), interest on

deferred payments due or paid to shipyards (Note 10), impairment of prepayments following the cancellation of certain vessel orders (Note 3.2), loss on the refinancing of certain vessels sold and chartered back (Note 3.2), and an impairment loss on vessels held-for-sale (Note 25).

Segment performance is evaluated by management based on the following measures:

- Revenue
- EBITDA (which corresponds to the Profit / (Loss) before depreciation, amortization, impairment losses and income from associates and jointly controlled entities as presented on the face of the Consolidated Income Statement)
- Profit / (Loss) for the period

The segment information for the reportable segments for the year ended December 31, 2010 is as follows:

Operational segments	<i>in USD thousand</i>		
	Revenue	EBITDA	Profit / (Loss) for the period
Total container shipping segment	13,215,294	2,329,747	1,806,120
Other activities	1,075,613	221,829	127,950
Unallocated items	—	(35,112)	(307,329)
Total consolidated measures	14,290,907	2,516,464	1,626,741

The segment information for the reportable segments for the year ended 31 December 2009 is as follows:

Operational segments	<i>in USD thousand</i>		
	Revenue	EBITDA	Profit / (Loss) for the period
Total container shipping segment	9,586,076	(765,496)	(888,850)
Other activities	932,001	120,563	(10,307)
Unallocated items	25,211	(22,415)	(547,891)
Total consolidated measures	10,543,287	(667,348)	(1,447,048)

In 2009, the Company enhanced its financial information system and was able to fully recognize its revenue and variable expenses on a percentage of completion basis, which is determined on the transit time proportion of each individual transaction. The net impact of this change in estimates has been recognized prospectively in 2009 and amounted to USD 216,030 thousand on revenue and USD 124,520 thousand on operating profit.

The segment information for the reportable segments for the year ended 31 December 2008 is as follows:

Operational segments	<i>in USD thousand</i>		
	Revenue	EBITDA	Profit / (Loss) for the period
Total container shipping segment	13,838,360	1,106,868	(151,185)
Other activities	1,256,477	153,824	262,708
Unallocated items	—	—	—
Total consolidated measures	15,094,837	1,260,692	111,522

6. Operating expenses

Operating expenses are analyzed as follows:

	Year ended December 31,		
	2010	2009	2008
Bunkers and consumables	(2,714,595)	(2,384,680)	(3,525,926)
Chartering and Slots purchases	(1,597,141)	(1,649,846)	(2,304,028)
Handling and stevedoring	(2,762,145)	(2,434,451)	(2,728,901)
Transportation	(1,174,518)	(1,165,269)	(1,564,955)
Port and canal	(954,002)	(912,112)	(958,234)
Logistic	(863,696)	(786,645)	(858,720)
Employee benefits	(989,474)	(1,019,452)	(1,089,918)
General and administrative other than employee benefits	(609,058)	(637,416)	(715,400)
Additions to provisions, net of reversals and impairment of inventories and trade receivables	4,001	(62,904)	10,615
Operating exchange gains / (losses), net	29,037	(44,347)	6,529
Other operating expenses	(148,575)	(188,436)	(201,428)
Operating expenses	(11,780,166)	(11,285,558)	(13,930,366)

7. Gains on disposal of property and equipment and subsidiaries

Gains on disposal of property and equipment and subsidiaries consist of the following:

	Year ended December 31,		
	2010	2009	2008
Disposal of vessels	135	29,056	90,830
Other fixed assets disposal	3,205	9,587	(27,126)
Disposal of subsidiaries	2,383	36,280	32,518
Gains on disposal of property and equipment and subsidiaries	5,723	74,923	96,222

8. Employee benefits

Employee benefit expenses are analyzed as follows:

	Year ended December 31,		
	2010	2009	2008
Wages and salaries	(784,460)	(811,491)	(860,731)
Social security costs	(164,187)	(165,114)	(174,669)
Pension costs	(10,173)	(14,323)	(14,309)
Other expenses	(30,654)	(28,524)	(40,209)
Employee benefits	(989,474)	(1,019,452)	(1,089,918)

The number of employees (unaudited) of the Company is 16,182 as at December 31, 2010 (16,025 as at December 31, 2009 and 16,734 as at December 31, 2008).

9. Cost of net debt

Cost of net debt is analyzed as follows:

	Year ended December 31,		
	2010	2009	2008
Interest income on cash and cash equivalents	4,238	10,714	53,257
Interest expense on financial debt	(221,169)	(222,941)	(260,734)
Financial cost related to debt restructuring	(79,126)	—	—
Effect of interest rate and foreign currency financial derivatives qualifying as hedges	(41,872)	(25,727)	(12,443)
Foreign currency exchange gains / (losses) on financial debt	61,887	(30,741)	(4,732)
Cost of net debt	(276,042)	(268,695)	(224,652)

Foreign currency exchange gains / (losses) relate to realized exchange gains and losses on financial debt. The unrealized portion of such exchange gains and losses is presented within "Other financial items" (see Note 10).

The Company defers certain transaction costs related to debt financing obtained or in progress. Such transaction costs are amortized using the effective interest rate method. Following the breach of the covenants and as part of the debt restructuring, certain committed financing has been revised downwards. A corresponding amount of USD 46,661 thousand of deferred transaction costs has been amortized in the income statement in 2010, proportionately to the revised amounts, and is presented within the line item "Financial cost related to debt restructuring". Within this line item, the Company also recognized certain paid or payable restructuring fees for an amount of USD 32,465 thousand. These fees are recognized as incurred when a contractual obligation exists at the balance sheet date.

10. Other financial items

Other financial items consist of the following:

	Year ended December 31,		
	2010	2009	2008
Other financial items related to debt restructuring	(99,041)	(13,475)	—
Interests for deferred payments to shipyards	(44,571)	(12,446)	—
Change in fair value and settlement of derivative instruments that do not qualify to hedge accounting	(40,789)	293,612	(943,419)
Change in fair value of financial assets at fair value through profit and loss	3,755	63,497	(81,500)
Result from disposal of financial assets at fair value through profit and loss	(3,083)	(37,782)	(829)
Gain on repurchase of 300 MU.S.\$ Senior Notes and 500 M€ Senior Notes	—	13,272	196,895
Foreign currency exchange gains / (losses) on financial operations	(13,458)	2,988	(36,802)
Other financial income and expense, net	(13,742)	(578)	16,615
Other financial items	(210,929)	309,088	(849,040)

In 2008 and 2009, the Company proceeded to the partial repurchase of certain of its Euro and USD Senior notes issued in 2006 and 2007. The difference between the repurchase price and the nominal value of such notes were recognized as gains within “Other financial items”.

Other financial items include the best estimate of the early termination costs payable related to certain hedge transactions entered into to hedge future debt commitments and which became ineffective.

Certain payments to shipyards were postponed in 2009 and 2010, resulting in interest on deferred payments for vessels under construction.

Change in fair value and settlement of derivative instruments that do not qualify for hedge accounting reflects the volatility of fuel prices, currencies and interest rates during the periods.

11. Income tax

Income tax consists of the following:

	Year ended December 31,		
	2010	2009	2008
Current tax	(23,996)	(34,336)	(11,841)
Deferred tax	212	49,760	210,065
Income Taxes	(23,784)	15,424	198,224

The significant deferred tax income recognized in 2008 mainly reflects the effect of the recognition of a deferred tax asset amounting to \$ 168,181 thousand related to certain investment tax credits in Malta previously unrecognized, as a consequence of the Malta Freeport Terminal concession term extension from 30 to 65 years.

Reconciliation of the income tax expense:

	Year ended December 31,		
	2010	2009	2008
Profit / (Loss) before tax and share of profit (or loss) of the associates and joint ventures	1,667,701	(1,416,037)	(91,029)
Theoretical income tax (tax rate of 34.43%)	(574,189)	487,541	31,341
Income tax expense	(23,784)	15,424	198,224
Difference between theoretical and effective income tax	550,405	(472,118)	166,883
Tonnage tax regime resulting in a reduced effective income tax rate	546,276	(565,340)	(20,348)
Use or recognition of deferred tax assets previously unrecognized	3,314	20,818	133,185
Effect of different tax rates in foreign tax jurisdictions	35,112	20,864	31,278
Unrecognized tax losses generated by certain SPV not liable to tonnage tax	(111,656)	(4,751)	—
Other permanent differences including effect of exchange rate	77,359	56,291	22,768
Difference	550,405	(472,118)	166,883

12. Goodwill

Goodwill is analyzed as follows:

	As at December 31, 2010	As at December 31, 2009
Beginning of the year	448,465	492,161
Purchase price adjustment on previously recognized goodwill	(705)	(6,885)
Disposal	—	(394)
Reclassification to “assets held-for-sale”	—	(3,459)
Impairment	(814)	(48,334)
Foreign currency translation adjustment	(14,340)	15,376
End of the year	432,606	448,465

In 2010, USD 321,467 thousand correspond to goodwill related to the container shipping operations (USD 326,275 thousand in 2009).

In 2009, the Group recognized an impairment loss of USD 48,334 thousand related to certain terminal activities in Morocco that were taken over as part of the acquisition of Comanav in 2007.

The assumptions used for the purposes of impairment tests are detailed in Note 2.3. As disclosed in this Note, as at December 31, 2010, no impairment loss was recognized on tests performed at cash generating unit level.

13. Other Intangible assets

Other intangible assets comprise software and costs capitalized as part of information system development projects and are analyzed as follows:

	Software		Others	Total
	In use	In-progress		
Cost of Other intangible assets				
As at January 1, 2009	122,199	77,980	80,699	280,878
Acquisitions	48,505	49,523	10,635	108,663
Disposals	(1,091)	—	(51)	(1,142)
Reclassification	73,017	(75,294)	21,542	19,265
Foreign currency translation adjustment	986	2,711	119	3,816
As at December 31, 2009	243,616	54,920	112,944	411,480
Acquisitions	4,233	14,760	8,761	27,754
Disposals	(463)	—	(137)	(600)
Reclassification	20,437	(19,703)	(278)	456
Foreign currency translation adjustment	(444)	(35)	(4,883)	(5,362)
As at December 31, 2010	267,379	49,942	116,407	433,728

Significant internal and external software development is required in the industry to ensure high quality systems. Costs capitalized as software mainly correspond to costs incurred for the in-house development of (i) shipping agency systems, implemented throughout the worldwide Group agency network, which address bookings, billings and transportation documentation, (ii) the operating system including logistical support and container tracking and (iii) the comprehensive ERP accounting and financial reporting system implemented within all Group shipping entities.

As at December 31, 2010, other intangible assets mainly include terminal concession rights recognized as intangible assets in accordance with IFRIC 12 for USD 78,310 thousand and USD 28,023 thousand recognized in connection with the disposal of certain vessels to Global Ship Lease Inc., a related party, where the attached charter agreements were contracted below market rates generating an intangible asset which is amortized over the duration of the related charter period.

Amortization of Other intangible assets is as follows:

	Software			Total
	In use	In-progress	Others	
Amortization of Other intangible assets				
As at January 1, 2009	(65,585)	—	(3,967)	(69,552)
Amortization	(30,310)	—	(4,400)	(34,710)
Disposals	1,061	—	51	1,112
Reclassification	(179)	—	64	(115)
Foreign currency translation adjustment	(667)	—	1	(666)
As at December 31, 2009	(95,680)	—	(8,251)	(103,931)
Amortization	(36,005)	—	(4,998)	(41,003)
Disposals	463	—	137	600
Reclassification	(170)	—	22	(148)
Foreign currency translation adjustment	196	—	330	526
As at December 31, 2010	(131,196)	—	(12,760)	(143,956)

	Software			Total
	In use	In-progress	Others	
Net book value of Other intangible assets				
As at December 31, 2010	136,183	49,942	103,647	289,772
As at December 31, 2009	147,937	54,920	104,693	307,549
As at January 1, 2009	56,614	77,980	76,732	211,326

14. Property and equipment

Property and equipment are analyzed as follows:

	As at December 31, 2010	As at December 31, 2009
Vessels		
Cost	6,224,255	5,452,678
Accumulated depreciation	(705,274)	(570,648)
	5,518,981	4,882,030
Containers		
Cost	1,417,147	1,421,814
Accumulated depreciation	(467,557)	(400,548)
	949,590	1,021,266
Land and buildings		
Cost	711,959	684,393
Accumulated depreciation	(42,690)	(35,735)
	669,269	648,658
Other property and equipment		
Cost	546,283	437,918
Accumulated depreciation	(182,132)	(150,655)
	364,151	287,263
Total		
Cost	8,899,644	7,996,803
Accumulated depreciation	(1,397,653)	(1,157,586)
Property and equipment	7,501,991	6,839,217

As at December 31, 2010, assets held under capital leases, tax lease agreements and other similar arrangements included in the above table represented a cost of USD 3,133,895 thousand (USD 2,995,213 thousand as at December 31, 2009) and an accumulated depreciation of USD 513,728 thousand (USD 529,040 thousand as at December 31, 2009).

Prepayments made to shipyards relating to vessels under construction are presented within "Vessels" and amount to USD 574,348 thousand as at December 31, 2010 (USD 1,244,741 thousand as at December 31, 2009).

As at December 31, 2010, the carrying amount of property and equipment held as collateral of financial debts amounts to USD 6,498 million (USD 5,729 million as at December 31, 2009).

Buildings which are released for rent are recognized at fair value and amount to USD 18,040 thousand (USD 19,427 thousand as at December 31, 2009).

Variations in the cost of property and equipment for the year ended December 31, 2010 and the year ended December 31, 2009 are analyzed as follows:

Cost of Property and equipment	Vessels			Containers	Land and buildings	Other property and equipment	Total
	Owned	Leased	In-progress				
As at January 1, 2009	1,930,653	1,725,649	1,553,966	1,447,753	558,813	319,383	7,536,216
Acquisitions	10,277	1,870	937,895	823	134,220	118,620	1,203,705
Acquisitions of subsidiaries	—	—	—	—	11	1,343	1,354
Disposals	(19,905)	(1,415)	—	(27,883)	(5,316)	(7,714)	(62,233)
Revaluation	—	—	—	—	(5,304)	—	(5,304)
Reclassification to assets held— for—sale (See Note 25)	(363,883)	(44,034)	(34,397)	—	—	(7,006)	(449,320)
Reclassification to financial deposits (See Note 3)	—	—	(303,308)	—	—	—	(303,308)
Other reclassification	—	—	—	456	(17,279)	88	(16,735)
Vessels put into service and exercise of purchase option	442,349	467,041	(909,390)	—	—	—	(0)
Foreign currency translation adjustment	16,128	43,207	(25)	666	19,248	13,203	92,427
As at December 31, 2009	2,015,619	2,192,318	1,244,741	1,421,814	684,393	437,918	7,996,803
Acquisitions	4,143	513	1,118,687	23,824	102,592	65,886	1,315,645
Acquisitions of subsidiaries	(0)	—	—	(0)	366	32,256	32,621
Disposals	(1,909)	—	—	(28,790)	(85)	(8,335)	(39,118)
Revaluation	—	—	—	—	(1,294)	—	(1,294)
Reclassification to assets held— for—sale (See Note 25)	(35,864)	(263,484)	—	—	—	—	(299,348)
Vessels put into service and exercise of purchase option	1,211,321	547,094	(1,758,415)	—	—	—	(0)
Other reclassification	5,952	0	(30,666)	—	(40,640)	45,096	(20,257)
Foreign currency translation adjustment	(7,054)	(18,742)	(0)	299	(33,373)	(26,538)	(85,408)
As at December 31, 2010	3,192,208	2,457,699	574,348	1,417,147	711,959	546,283	8,899,644

For the purpose of the Consolidated Cash Flow Statement, purchases of property, plant and equipment correspond to the line item “acquisitions” presented above, decreased by (i) the new financings obtained under finance lease or equivalents, (ii) vendor loans granted by shipyards.

As at December 31, 2010 the Company operates 91 vessels owned or under finance lease or equivalent agreements (85 as at December 31, 2009). 16 vessels are under construction (29 as at December 31, 2009).

Purchases of property and equipment amounted to USD 1,315,645 thousand in 2010, of which USD 602,901 thousand were financed under capital leases or similar arrangements. Borrowing costs capitalized in 2010 amounted to USD 730 thousand (USD 13,779 thousand in 2009).

Variations in the accumulated depreciation for the year ended December 31, 2010 and the year ended December 31, 2009 are analyzed as follows:

Depreciation of Property and equipment	Vessels			Containers	Land and buildings	Other property and equipment	Total
	Owned	Leased	In-progress				
As at January 1, 2009	(322,363)	(238,182)	—	(337,962)	(23,197)	(115,409)	(1,037,113)
Depreciation	(92,541)	(74,348)	—	(80,030)	(13,701)	(37,034)	(297,654)
Disposals	17,412	1,415	—	15,767	2,329	5,761	42,684
Disposals of subsidiaries	(84,159)	—	—	—	—	—	(84,159)
Reclassification to assets held-for-sale (See Note 26)	232,917	4,364	—	—	—	3,431	240,712
Exercise of purchase option and other reclassification	(44,203)	44,203	—	1,803	(391)	(2,607)	(1,195)
Foreign currency translation adjustment	(6,062)	(9,101)	—	(127)	(775)	(4,796)	(20,861)
As at December 31, 2009	(298,999)	(271,649)	—	(400,548)	(35,735)	(150,655)	(1,157,586)
Depreciation	(107,016)	(85,036)	—	(80,086)	(9,556)	(41,958)	(323,653)
Disposals	1,909	—	—	13,050	82	6,907	21,949
Impairment of vessels	(3,602)	(19,101)	—	—	—	—	(22,703)
Reclassification to assets held-for-sale (See Note 26)	16,192	56,108	—	—	—	—	72,300
Exercise of purchase option and other reclassification	(29,674)	29,674	—	—	1,339	(2,846)	(1,507)
Foreign currency translation adjustment	1,634	4,286	—	27	1,180	6,420	13,547
As at December 31, 2010	(419,556)	(285,718)	—	(467,557)	(42,690)	(182,132)	(1,397,653)

The net book value of property and equipment at the opening and closing of each period presented are analyzed as follows:

Net book value of Property and equipment	Vessels			Containers	Land and buildings	Other property and equipment	Total
	Owned	Leased	In-progress				
As at December 31, 2010 ...	2,772,652	2,171,981	574,348	949,590	669,269	364,151	7,501,991
As at December 31, 2009 ...	1,716,619	1,920,669	1,244,741	1,021,266	648,658	287,263	6,839,217
As at January 1, 2009	1,608,290	1,487,467	1,553,965	1,109,791	535,616	203,975	6,499,103

The net book value of the containers as at December 31, 2010 includes USD 401,535 thousand related to containers under finance leases (USD 476,920 thousand as at December 31, 2009).

15. Derivative financial instruments

Derivative financial instruments are analyzed as follows:

	As at December 31, 2010		As at December 31, 2009	
	Assets	Liabilities	Assets	Liabilities
Interest swaps - cash flow hedge	—	132,601	—	69,418
Interest swaps - not qualifying to hedge accounting	12,265	50,346	7,442	100,945
Bunker hedge - cash flow hedge	—	—	—	—
Bunker hedge - not qualifying to hedge accounting	52,619	99,551	74,950	163,788
Currency forward contracts	894	—	949	—
Total derivative financial instruments	65,778	282,498	83,341	334,151
<i>of which non-current portion (over 1 year)</i>	<i>17,852</i>	<i>180,168</i>	<i>31,365</i>	<i>235,459</i>
<i>of which current portion (less 1 year)</i>	<i>47,926</i>	<i>102,330</i>	<i>51,976</i>	<i>98,692</i>

16. Other financial assets

Other financial assets are analyzed as follows:

Other financial assets gross	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
	As at January 1, 2009	212,288	92,250	172,374	24,986	60,534
Acquisitions	44,472	2,496	168,681	12,357	6,912	234,918
Acquisitions of subsidiaries	—	—	822	—	—	822
Reversal of negative available—for—sale reserve (see Note 18)	109,829	—	—	—	—	109,829
Transfer to investments in associates (see Note 18)	(246,660)	—	—	—	—	(246,660)
Disposals	(4,903)	(9,201)	(9,850)	(3,228)	(7,955)	(35,137)
Reclassification to assets held—for—sale	(41,392)	—	—	(3,150)	(97)	(44,639)
Prepayments related to cancelled vessels under construction	—	—	—	—	303,308	303,308
Pension plan assets	—	—	—	—	707	707
Reclassification to financial debt and other	1,361	6,321	(44,852)	—	(15)	(37,185)
Foreign currency translation adjustment	601	1,524	2,658	918	71	5,772
As at December 31, 2009	75,596	93,390	289,833	31,883	363,465	854,167
Acquisitions	11,737	8,726	168,301	1,099	268	190,131
Acquisitions of subsidiaries	—	26	70	—	42	139
Transfer to investments in associates (See Note 18)	(9,960)	—	—	—	—	(9,960)
Disposals	(567)	(10,532)	(15,366)	(3,588)	(11)	(30,064)
Prepayments waived	—	—	—	—	(89,863)	(89,863)
Pension plan assets	—	—	—	—	(100)	(100)
Reclassification to / from other assets	(13,507)	21,300	(6,361)	(564)	(3,601)	(2,733)
Foreign currency translation adjustment	(429)	(3,375)	(1,327)	(1,845)	(113)	(7,090)
As at December 31, 2010	62,870	109,535	435,150	26,984	270,088	904,627

In 2009 the Company cancelled certain orders with shipyards. The related prepayments of USD 303,308 thousand, which were previously reported as “Vessels in progress”, have been reclassified within “Other financial assets”. As disclosed below, these prepayments have been fully provided for considering the uncertainty surrounding their recoverability.

In 2010 the Company reached an agreement with a third party who took over its obligations related to 4 vessels in exchange for a time charter on those vessels. Consequently, the Company formally waived its rights to the related prepayments amounting to USD 89,863 thousand.

Included in “Deposits” are USD 273,181 thousand of cash in escrow accounts paid in accordance with certain loan-to-value provisions in financing agreements. Certain agreements set out that a cash deposit is required when the loan to fair market value ratio of a vessel as estimated by independent brokers is above a certain level.

Also included in “Deposits” are USD 84,824 thousand of cash deposits which do not qualify as cash available, mainly as a result of certain foreign exchange restrictions. The Company believes that it will be able to use this cash in the normal course of its operations in the foreseeable future.

Change in deposits is presented within “Variation in other long-term investments” in the consolidated cash flow statement.

Other financial assets include USD 48,000 thousand related to preferred shares of Global Ship Lease, Inc. which bear interest at Libor 3M plus 2% and which CMA CGM has accepted to hold until November 2016.

Other financial assets provision	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
As at January 1, 2009	(3,993)	(111)	—	—	(343)	(4,447)
Additions for the period	(3,235)	—	—	—	(307,348)	(310,583)
Reversal for the period	3,445	45	—	—	242	3,732
Reclassification to assets held-for-sale	667	—	—	—	—	667
Foreign currency translation adjustment	(33)	—	—	—	—	(33)
As at December 31, 2009	(3,149)	(66)	—	—	(307,449)	(310,664)
Additions for the period	(3,159)	—	—	(3,705)	(374)	(7,238)
Prepayments previously provided for and waived during the period	628	—	—	—	89,842	90,470
Foreign currency translation adjustment	27	—	—	—	—	27
As at December 31, 2010	(5,653)	(66)	—	(3,705)	(217,981)	(227,405)
	Investments in non consolidated companies	Loans	Deposits	Receivable from associates	Other financial assets	Total
Net book value of Other financial assets						
As at December 31, 2010	57,217	109,469	435,150	23,279	52,107	677,222
As at December 31, 2009	72,447	93,324	289,833	31,883	56,016	543,503
As at January 1, 2009	208,295	92,139	172,374	24,986	60,191	557,985

17. Classification of financial assets and liabilities

Set out below is a breakdown by category of carrying amounts and fair values of all of the Company’s financial instruments that are carried in the financial statements:

	As at December 31, 2010	Loans and receivables	Available for sale	Financial assets & liabilities at fair value through profit and loss	Derivative instruments
Assets					
Investments in associates and joint venture	336,663	336,663	—	—	—
Derivative financial instruments -non current portion-	17,852	—	—	—	17,852
Other financial assets	677,222	620,004	57,217	—	—
Trade and other receivables	2,031,649	2,031,649	—	—	—
Derivative financial instruments -current portion-	47,926	—	—	—	47,926
Financial assets at fair value through profit & loss	28,539	—	—	28,539	—
Cash and cash equivalent	538,688	538,688	—	—	—
Total financial instruments - Assets	3,678,539	3,527,004	57,217	28,539	65,778
	As at December 31, 2010	Loans and receivables	Financial debt at amortized cost	Derivative instruments	
Liabilities					
Financial debt - non-current portion-	1,291,760	—	1,291,760	—	—
Derivative financial instruments - non-current portion-	180,168	—	—	180,168	—
Financial debt -current portion-	4,298,907	32,279	4,266,628	—	—
Derivative financial instruments - current portion-	102,330	—	—	102,330	—
Trade and other payables	2,572,867	2,572,867	—	—	—
Total financial instruments - Liabilities	8,446,032	2,605,146	5,558,388	282,497	—

18. Investments in associates and joint ventures

Investments in associates and joint ventures are presented as follows:

	As at December 31, 2010	As at December 31, 2009
At the beginning of the year	323,441	111,455
Transfer from investments at cost or from financial assets available for sale	9,960	246,660
Disposal	(14,123)	(12,819)
Capital increase	13,089	6,171
Share of (loss) / profit and impairment	10,108	(29,974)
Dividends received	(2,211)	(719)
Other comprehensive income	(135)	1,046
Foreign currency translation adjustment	(3,466)	1,621
At the end of the year	336,663	323,441

The Company holds approximately 45% of Global Ship Lease Inc., common shares since this entity was listed on the NYSE on August 12, 2009. The Company is the major client of GSL and leases from GSL 17 vessels for remaining periods ranging from 3 to 17 years. In 2009, Global Ship Lease Inc., which was previously accounted for as an available for sale financial asset, was reclassified as an investment in associates accounted for under the equity method to reflect the Company's increasing influence over the operating and financial policy of its affiliate during 2009 as a consequence of the discussions surrounding the renegotiation of Global Ship Lease Inc's credit facility.

The accounting under the equity method resulted in (i) the reclassification of the investment in Global Ship Lease Inc., from available-for-sale financial assets to investments in associates, and (ii) the reversal of the negative available-for-sale reserve amounting to USD 109,829 thousand against investments in associates, none of the above having an impact on net income.

In 2009, the Company accounted for an impairment charge amounting to USD 34,309 thousand relating to some minority shareholdings it holds in terminal activities in Morocco and Egypt.

As at December 31, 2010, the fair value of the 45.14% shareholding in Global Ship Lease Inc. represents USD 121.5 million based on the share price of USD 4.95. This compares to the carrying amount of USD 168.9 million which corresponds to the Company's share in the net assets of Global Ship Lease Inc. At the reporting date, the share price of Global Ship Lease Inc. was USD 7.00. As at December 31, 2010 the summarized financial statements of associates and joint ventures are as follows:

	Portsynergy	Global Ship Lease, Inc **	Container Handling Zebrugge	CMA CGM Systems	OTHL (CLLC)	XIAMEN HXCT	Gemalink	CMA CGM KOREA	South Florida Container Terminal	Others	Total as at December 31, 2010	Total as at December 31, 2009
% of shareholding as of December 31, 2010	50.00%	45.14%	35.00%	50.00%	50.00%	22.22%	28.57%	50.00%	51.00%	n.a.	*	*
Non-current assets	292,655	953,789	63,571	12,070	50,071	148,716	44,010	5,966	8,801	21,914	1,601,563	1,619,018
Current assets	127,722	58,959	23,028	46,628	4,360	37,625	59,576	32,157	15,011	87,612	492,678	449,609
Total Assets	420,377	1,012,748	86,599	58,698	54,431	186,341	103,586	38,123	23,812	109,526	2,094,241	2,068,627
Equity	97,549	323,206	18,552	22,399	4,843	99,177	103,297	11,894	18,926	55,312	755,155	692,058
Non-current liabilities	200,131	609,757	55,525	0	48,860	75,352	—	374	—	9,519	999,518	974,688
Current liabilities	122,697	79,785	12,522	36,299	728	11,812	289	25,855	4,886	44,695	339,568	401,881
Total Liabilities	420,377	1,012,748	86,599	58,698	54,431	186,341	103,586	38,123	23,812	109,526	2,094,241	2,068,627
Revenue	307,690	118,802	54,005	128,025	2,111	5	—	14,525	57,816	54,634	737,612	790,672
Profit for the year	8,037	(5,198)	3,333	8,198	(711)	(2,221)	(339)	5,109	5,269	9,752	31,229	17,960

* Data based on a 100% shareholding for all entities presented

** As Global Ship Lease, Inc is a listed Company which has not yet publish its year-end 2010 results, financial information as at September 30, 2010 are presented above.

19. Deferred taxes

Deferred taxes components are as follows:

	As at December 31, 2010	As at December 31, 2009
Deferred tax assets		
Investment tax credit	182,545	185,414
Tax losses carried forward	39,467	59,996
Retirement benefit obligations	14,949	4,827
Other temporary differences	13,504	24,123
Total deferred tax assets	250,465	274,360
	As at December 31, 2010	As at December 31, 2009
Deferred tax liabilities		
Revaluation and depreciation of property and equipment	27,621	38,633
Undistributed profits from subsidiaries	10,687	8,892
Other temporary differences	932	2,080
Total deferred tax liabilities	39,240	49,605

Included in deferred tax assets as at December 31, 2010 is the investment tax credit of Malta Freeport Terminals Ltd that can be offset against future taxable profits without any time limit on carry forward of the tax credit. The concession term will last until 2069 and the company expects to continue to generate recurring taxable profits. The deferred tax assets will be used over a reasonable timeframe during the concession period. The effective tax rate in Malta is currently 15%.

Tax losses carried forward mainly relate to losses generated in the non shipping activities liable to corporate income tax in France. These tax losses are recognized only to the extent of the foreseeable taxable profit generated in these activities and the level of the corresponding deferred tax liability. Unused tax losses whose recovery within a reasonable timeframe is considered less than likely are not recognized in the balance sheet and represented USD 475,112 thousand as at December 31, 2010 (USD 151,876 thousand in 2009), representing an unrecognized deferred tax asset of USD 153,510 thousand in 2010 (USD 45,454 thousand in 2009).

Amounts of taxes recognized directly within other comprehensive income are as follows:

	Year ended December 31,								
	2010			2009			2008		
	Before-tax amount	Tax	Net-of-tax amount	Before-tax amount	Tax	Net-of-tax amount	Before-tax amount	Tax	Net-of-tax amount
Other Comprehensive Income									
Profit / (Loss) for the year	1,677,809	(23,784)	1,654,025	(1,446,011)	15,424	(1,430,587)	(74,179)	198,224	124,045
Other comprehensive income:									
<i>Cash flow hedges</i>	(94,290)	—	(94,290)	701,190	—	701,190	(1,000,458)	—	(1,000,458)
<i>Gains on property revaluation</i>	(1,054)	(358)	(1,412)	(58,194)	16,767	(41,427)	95,679	(31,315)	64,364
<i>Actuarial gains (losses) on defined benefit pension plans</i>	(3,051)	529	(2,522)	(1,901)	326	(1,575)	2,555	(1,031)	1,524
<i>Available-for-sale financial assets</i>	—	—	—	109,829	—	109,829	(110,881)	—	(110,881)
<i>Share of other comprehensive income of associates</i>	(135)	—	(135)	503	—	503	—	—	—
<i>IFRIC 12 implementation</i>	—	—	—	—	—	—	—	—	—
<i>Exchange differences on translating foreign operations</i>	(49,273)	—	(49,273)	57,437	—	57,437	(164,797)	—	(164,797)
Other comprehensive income for the year, net of tax	(147,803)	171	(147,632)	808,864	17,093	825,957	(1,177,902)	(32,346)	(1,210,248)
Total comprehensive income for the year	1,530,006	(23,613)	1,506,393	(637,147)	32,517	(604,630)	(1,252,082)	165,878	(1,086,203)

20. Inventories

Inventories are detailed below:

	As at December 31, 2010	As at December 31, 2009
Bunkers	362,057	286,453
Lube oil	18,826	14,901
On land	22,266	18,539
Aboard	4,463	3,888
Provision for obsolescence	(2,586)	(2,136)
Inventories	405,026	321,645

21. Trade and other receivables and payables

Trade and other receivables are analyzed as follows:

	As at December 31, 2010	As at December 31, 2009
Trade receivables	1,629,950	1,476,496
Less Impairment of trade receivables	(52,905)	(72,524)
Trade receivables net	1,577,045	1,403,972
Prepayments	45,421	74,682
Other receivables net, including taxes	327,043	380,364
Employee, social and tax receivables	82,140	84,211
Trade and other receivables	2,031,649	1,943,230

Movements in the impairment of trade receivables are as follows:

	As at December 31, 2010	As at December 31, 2009
Beginning of the year	(72,524)	(64,876)
Addition to impairment of receivables	(27,759)	(47,598)
Reversal of impairment of receivables	46,266	39,997
Foreign currency translation adjustment	1,112	(47)
End of the year	(52,905)	(72,524)

Trade and other payables are analyzed as follows:

	As at December 31, 2010	As at December 31, 2009
Trade payables	971,444	1,192,456
Accruals for port call expenses, transportation costs, handling services and other payables	1,406,565	1,280,358
Employee, social and tax payables	194,858	188,539
Trade and other payables	2,572,867	2,661,353

Other payables include an amount of USD 53,674 thousand owed to Merit Corporation, a related party. This payable bears interest at 4% per annum. It corresponds to dividends declared by the Company in 2007 and 2008 but which have not yet been paid.

Trade receivables aging and payables mature as follows:

	As at December 31, 2010	Not yet due	0 to 30 days	30 to 60 days	60 to 90 days	90 to 120 days	Over 120 days
Trade and other receivables	2,031,649	1,458,406	339,457	70,842	45,253	41,349	76,341
Trade and other payables	2,572,867	2,063,220	243,744	114,836	53,911	19,727	77,429

22. Financial assets at fair value through Profit and Loss

Financial assets at fair value through profit and loss include the following:

	As at December 31, 2010	As at December 31, 2009
Equity stocks	25,213	35,906
Monetary securities	3,060	3,429
Other	266	1,276
Financial assets at fair value through profit & loss	28,539	40,611

23. Cash and cash equivalents

Cash and cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:

	As at December 31, 2010	As at December 31, 2009
Cash and cash equivalents	538,688	589,920
Bank overdrafts	(32,279)	(203,461)
Net cash and cash equivalents as per Balance Sheet	506,409	386,459

Included in Cash and cash equivalents are margin calls related to the Company's derivative financial instruments amounting to USD 50,680 thousand as at December 31, 2010 (USD 110,226 thousand as at December 31, 2009). These amounts are called periodically by financial counterparts in accordance with the Company's standard International Swaps and Derivatives Association (ISDA) agreements. The corresponding financial derivative instruments have been marked-to-market as presented in note 15.

24. Prepaid expenses and deferred income

Prepaid expenses, which include voyages in progress at year-end, amount to USD 236,168 thousand compared to USD 236,227 thousand in 2009. Deferred income which includes the same voyages in progress, amounts to USD 588,589 thousand compared to USD 488,913 thousand in 2009.

25. Non-current assets held-for-sale and related liabilities

The assets and liabilities classified as held-for-sale are as follows:

	As at December 31, 2010	As at December 31, 2009
Goodwill	3,459	3,459
Vessels	439,228	188,278
Harbor equipment	—	2,419
Other intangible assets	522	288
Other tangible assets	76	82
Financial assets	92	43,977
Working capital and other assets	29,706	17,898
Assets classified as held-for-sale	473,083	256,401
	As at December 31, 2010	As at December 31, 2009
Financial debt	283,467	19,618
Other liabilities	51,560	32,613
Liabilities associated to assets classified as held-for-sale	335,027	52,231

The gain related to the disposal of non-current assets and liabilities previously recognized as held-for-sale and disposed of during 2010 amounted to USD 1,674 thousand (USD 63,348 thousand in 2009). This includes in 2009 the sale of the former head office of the Group in Marseille, France. As presented in the Consolidated Cash Flow Statement, the sale of such assets resulted in 2010 in a cash inflow amounting to USD 208,633 thousand.

As at December 31, 2010, assets held for sale and associated liabilities mainly relate to:

- The cruise activity of the Group carried out by CdP and its subsidiaries. The company operates 4 cruise vessels and has committed to the acquisition of one more vessel accounted for as vessels in progress in the table above. Not included in the above financial debt is the remaining amount payable for the vessel to be delivered in April 2011 of USD 83,113 thousand. At report date, the Group is in ongoing discussions with potential investors.
- Three 5,100 TEU container vessels and four 937 TEU container vessels, including their associated financial debt, which the Company decided to dispose of during the year. Subsequent to year-end, all vessels have been disposed of. The three 5,100 TEU container vessels were disposed of as part of a sale and operating lease back transaction.

In accordance with Group accounting principles, impairment tests based on the fair value less cost of sale were carried out at year-end on each individual asset recognized as held-for-sale. On this basis, the assets held for sale are carried in the balance sheet at the lower of fair value less cost of sale or historical value. An impairment amounting to USD 19,278 thousand was recognized in 2010 (USD 84,160 thousand in 2009).

Included in “Liabilities associated with assets held for sale” is USD 166 million corresponding to the financial debt of the three 5,100 TEU container vessels and USD 118 million related to the cruise activity.

26. Other reserves

Other reserves break down as follows:

	Year ended December 31,	
	2010	2009
Cash flow hedge	(181,045)	(86,755)
Gains on property revaluation	57,339	58,403
Actuarial gains (losses) on defined benefit pension plans	5,642	8,453
Available-for-sale financial assets	(1,052)	(1,052)
Share of other comprehensive income of associates	1,012	1,147
Deferred tax on reserve	(6,768)	(6,944)
Other reserves	(124,872)	(26,748)

27. Financial debts

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

	As at	Reimbursement date: December 31,					
	December 31,	2011	2012	2013	2014	2015	Onwards
Senior Note	713,571	181,485	358,658	173,428	—	—	—
Bank debt	2,668,331	2,502,418	29,240	30,625	26,023	22,768	57,257
Obligations under finance leases	1,414,309	1,166,428	49,186	32,239	29,461	27,622	109,373
Bank overdrafts	32,279	32,279	—	—	—	—	—
Other financial debts	762,177	416,297	75,932	153,435	3,944	4,211	108,358
Total	5,590,667	4,298,907	513,016	389,727	59,428	54,601	274,988

The table above reflects the USD 3,055 million debt initially payable from 2012 onwards which has been reclassified as due within the year following the breach of covenants as disclosed in Note 3.

Variations in financial debts can be analyzed as follows:

	Senior Note	Bank debt	Obligation under finance lease	Bank overdrafts	Other financial debt	Total
Balance as of January 1, 2010	769,488	2,984,108	1,649,103	203,461	606,719	6,212,879
Proceeds from new financial debt	—	184,155	229,473	—	128,618	542,246
Vendor loans from shipyards	—	—	—	—	146,000	146,000
Repayment of financial indebtedness, net of proceeds from refinancing	(25,449)	(442,699)	—	(169,176)	(167,279)	(804,603)
Principal repayments on obligations under finance leases	—	—	(290,588)	—	—	(290,588)
Accrued interests	(1,241)	(363)	439	—	9,941	8,776
Reclassification of booked-out derivatives	—	21,504	—	—	—	21,504
Reclassification from provision	—	—	—	—	32,000	32,000
Reclassification from non current deferred income	—	—	10,806	—	—	10,806
Refinancing of assets	—	26,236	(26,236)	—	—	—
Reclassification to liabilities associated with assets held for sale	—	—	(145,425)	(95)	—	(145,520)
Reclassification from property and equipment	—	(24,713)	—	—	—	(24,713)
Reclassification from / to other assets	(72)	(32,604)	—	—	49,050	16,374
Acquisition (disposal) of subsidiaries	—	8,868	—	—	—	8,868
Foreign currency translation adjustments	(29,155)	(56,161)	(13,263)	(1,911)	(42,872)	(143,362)
Balance as at December 31, 2010	713,571	2,668,331	1,414,309	32,279	762,177	5,590,667

Following an agreement with the counterparty, a debt related to certain booked-out derivative instruments was reclassified into financial debt and repaid during the year.

Following a court decision, the settlement of the Company's obligation towards the liquidators of Lehman Brothers AG has been postponed until 2012 and consequently the liability amounting to USD 32,000 thousand has been reclassified in financial liabilities during the period.

Financial debts and related interest rates have the following characteristics:

Financing	Senior Note	Bank debt	Obligations under finance leases	Other financial debt and overdrafts	Interest rates (Average)
Vessels	324,957	988,307	1,138,988	—	4.19%
Containers	—	340,722	242,706	—	4.32%
Land and buildings	—	296,422	14,118	—	2.98%
Handling	—	154,112	17,812	—	4.84%
Other tangible assets	—	28,547	685	—	3.94%
Other	388,614	860,221	—	794,456	5.99%
Total	713,571	2,668,331	1,414,309	794,456	

Financial cash-flows on debts including repayments of principal and financial interest have the following maturities. As required by IFRS 7, these cash-flows are not discounted:

	As at December 31, 2010	Reimbursement date: December 31,					
		2011	2012	2013	2014	2015	Onwards
Senior Note	821,349	254,877	382,962	183,510	—	—	—
Bank debt	3,014,492	2,818,970	37,510	36,595	31,015	26,673	63,729
Obligations under finance leases	1,734,058	1,460,940	55,750	36,644	33,231	30,311	117,182
Bank overdrafts	34,334	34,334	—	—	—	—	—
Other financial debts	933,150	407,635	95,997	165,515	8,047	8,399	247,557
Total	6,537,383	4,976,756	572,219	422,264	72,293	65,383	428,468

28. Provisions and retirement benefit obligations

Provisions are analyzed as follows:

	<u>Employee benefits</u>	<u>Litigation</u>	<u>Other risks and obligations</u>	<u>Total</u>	<i>of which current portion</i>
As at January 1, 2009	98,356	32,403	24,767	155,526	18,904
Additions for the year	19,237	35,825	82,269	137,330	
Reversals during the year (unused)	(5,504)	(15)	(14,232)	(19,752)	
Reversals during the year (used)	(7,180)	(4,986)	(17,788)	(29,954)	
Reclassification to / from other liabilities	(190)	1,912	42,368	44,090	
Pension plan assets	707	—	—	707	
Actuarial gain / loss recognized in the OCI	1,901	—	—	1,901	
Foreign currency translation adjustment	3,970	515	603	5,089	
As at December 31, 2009	111,297	65,654	117,987	294,938	89,853
Additions for the period	10,070	11,375	37,802	59,247	
Reversals during the year (unused)	(383)	(2,614)	(1,499)	(4,496)	
Reversals during the year (used)	(8,416)	(5,774)	(16,703)	(30,893)	
Reclassification to / from other liabilities	301	(1)	(30,092)	(29,791)	
Pension plan assets	(100)	—	—	(100)	
Actuarial gain / loss recognized in the OCI	3,051	—	—	3,051	
Foreign currency translation adjustment	(2,745)	(603)	(856)	(4,204)	
As at December 31, 2010	113,075	68,038	106,638	287,751	96,338

Employee benefits

Amounts in the balance sheet are as follows:

	<u>As at December 31, 2010</u>	<u>As at December 31, 2009</u>
Liabilities	(113,075)	(111,297)
Liabilities associated with assets held for sale	(242)	(190)
Assets	—	707
Net liability	(113,317)	(110,780)

The amounts recognized in the balance sheet are determined as follows:

	<u>As at December 31, 2010</u>	<u>As at December 31, 2009</u>
Present value of unfunded obligations	(107,685)	(104,275)
Present value of funded obligations	(24,823)	(20,769)
Fair value of plan assets	20,170	16,817
Net present value of obligations	(112,338)	(108,227)
Unrecognized past service cost	(979)	(2,553)
Net liability	(113,317)	(110,780)

Variations in the defined benefit obligations over the year are as follows:

	<u>As at December 31, 2010</u>	<u>As at December 31, 2009</u>
Beginning of year	125,044	110,249
Plan amendment - past service cost	2,863	5,185
Service cost	2,911	4,262
Interest cost	5,665	5,392
Actuarial losses/(gains)	4,825	1,855
Benefits paid	(7,792)	(5,012)
Employee contributions	247	187
Acquisition of subsidiaries and other	961	—
Plan curtailments	(368)	(3,079)
Exchange differences	(1,847)	6,005
End of year	132,508	125,044

Plan assets relate exclusively to the pension plan implemented for Group employees in Australia. They vary as follows:

	As at December 31, 2010	As at December 31, 2009
Beginning of year	16,817	11,821
Expected return on plan assets	1,140	783
Actuarial (losses)/gains	581	(180)
Benefits paid	(7,345)	(5,474)
Employer contributions	7,969	7,579
Employee contributions	247	187
Exchange differences	761	2,101
End of the year	20,170	16,817

The accumulated actuarial gain recognized in other comprehensive income amounts to USD 6,399 thousand as at December 31, 2010 (accumulated actuarial gain of USD 9,451 thousand as at December 31, 2009).

The amounts recognized in the income statement are as follows:

	As at December 31, 2010	As at December 31, 2009	As at December 31, 2008
Current service cost	2,911	4,262	7,872
Interest cost	5,665	5,392	5,649
Expected return on plan assets	(1,140)	(783)	(1,091)
Past service cost amortization	1,442	10,232	230
(Gains) / Losses amortization	1,192	134	(1,404)
Curtailment/Settlement	—	—	(2,914)
Benefit expense recognized in the income statement	10,070	19,237	8,342

The Group contributed USD 6,142 thousand to its defined contribution plans in 2010. The Group expects to contribute USD 3,844 thousand to its defined benefit pension plans in 2011. Amortization of actuarial gains / losses mainly relates to a short-term plan operated in Australia.

The defined benefit obligation, the plan assets and the accumulated actuarial gains and losses for the current year and previous four periods are as follows:

	Defined Benefit Obligation	Plan Assets	Funded Status	Actuarial (Gains) and Losses On Defined Benefit Obligation	
				On Defined Benefit Obligation	On Plan Assets
As at December 31, 2006	81,335	12,616	(68,719)	(6,519)	1,022
As at December 31, 2007	100,770	16,296	(84,474)	(5,006)	1,085
As at December 31, 2008	110,249	11,821	(98,427)	(9,348)	(5,386)
As at December 31, 2009	125,044	16,817	(108,227)	1,855	(180)
As at December 31, 2010	132,508	20,170	(112,338)	4,825	581

The actuarial assumptions used for the principal countries representing a significant proportion of obligations were as follows:

	As at December 31, 2010			As at December 31, 2009		
	Euro Zone	Morocco	Australia	Euro Zone	Morocco	Australia
Discount rate	4.54%	4.50%	4.88%	5.25%	4.50%	5.60%
Expected return on plan assets	4.67%	n.a.	7.00%	4.06%	n.a.	7.00%
Future salary increase	3.27%	2.50%	4.50%	3.67%	2.50%	4.00%
Long-term growth rate	2.00%	2.00%	n.a.	2.00%	2.00%	n.a.

Litigations

Litigations principally include cargo related and other claims incurred in the normal course of business.

Other risks and obligations

Other risks and obligations mainly include risks related to vessel order cancellations amounting to USD 81,627 thousand.

29. Commitments

29.1 Commitments on vessels and containers

Vessels and containers operated under time charters which qualify as operating leases

As at December 31, 2010 the Company operates 306 vessels under time charters (267 as at December 31, 2009).

The due dates of leases payable for vessels delivered or to be delivered under time charters at balance sheet date can be analyzed as follows:

	<u>Total</u>	<u>Less 1 year</u>	<u>1 to 5 years</u>	<u>6 to 10 years</u>	<u>Over 10 years</u>
Vessels under time charts payments as of December 31, 2010	6,802,703	1,102,825	3,444,871	1,968,925	286,082
Vessels under time charts payments as of December 31, 2009	7,371,183	1,070,785	3,555,397	2,201,020	543,981

This table includes commitments to Global Ship Lease Inc., a related party, for an amount of USD 1,321 million as at December 31, 2010 (USD 1,479 million as at December 31, 2009).

The figures above correspond to the amounts payable to ship-owners and include both the cost of the bareboat and the running costs. The cost of the bareboat represents on average approximately 79% of the total time charter payments.

In certain cases, the Group may benefit from non-bargain purchase options to acquire the vessel at the end of the lease term.

The due dates of container operating leases held at balance sheet date can be analyzed as follows:

	<u>Total</u>	<u>Less 1 year</u>	<u>1 to 5 years</u>	<u>6 to 10 years</u>	<u>Over 10 years</u>
Containers under time charts payments as of December 31, 2010	1,557,692	316,701	848,100	368,350	24,541
Containers under time charts payments as of December 31, 2009	1,019,185	227,363	555,940	215,966	19,917

This table includes commitments to Investment and Financing Corp. Ltd., a related party, amounting to USD 25,268 million as at December 31, 2010 (nil as at December 31, 2009).

The total amount of operating lease payments related to the vessels and containers was USD 1,683 million in 2010 (USD 1,790 million in 2009).

Commitments related to vessels under construction

As at December 31, 2010, 16 vessels were under construction at different shipyards (29 as at December 31, 2009). The delivery of these vessels will be spread over the next 4 years. The contractual commitments related to the construction of these vessels can be analyzed as follows:

	<u>Units</u>	<u>2010</u>	<u>Units</u>	<u>2009</u>
		<u>in thousand U.S. Dollars</u>		<u>in thousand U.S. Dollars</u>
As at January 1	29	4,107,446	51	6,411,242
Vessels delivered	(13)	(1,880,301)	(6)	(885,519)
Order cancellation	—	—	(15)	(1,319,000)
Vessel sold by the yard	—	—	(1)	(99,234)
Exchange differences	—	(11,718)	—	(43)
As at December 31 (*)	16	2,215,427	29	4,107,446

(*) This table does not reflect the Company's request for an increase in capacity of 3 vessels ordered to the shipyard in January 2011 and representing an additional commitment of approximately USD 53 million.

In 2009, the Company cancelled certain orders related to vessels under construction for an amount of USD 1,319 million. In such cases, in addition to the loss of any prepayments made, the Company could also be liable to pay compensation to shipyards in accordance with contractual obligations. In 2009, the Company recognized an impairment charge amounting to USD 301,494 thousand corresponding to prepayments on cancelled orders and USD 65,512 thousand for the additional contractual obligations.

Net of prepayments made by the Group, the outstanding obligation related to the vessels under construction amounts to USD 1,595 million as at December 31, 2010 (USD 2,933 million as at December 31, 2009).

The performance guarantees received from shipyard's banks on vessels under construction amounts to USD 1,548 million as at December 31, 2010 (USD 2,546 thousand as at December 31, 2009).

29.2 Commitments relating to concession fees

The Company carries out certain handling activities under long-term concession arrangements with governmental bodies. Future minimum payments under these arrangements amount to USD 587,107 thousand as at December 31, 2010 (USD 276,533 thousand as at December 31, 2009).

29.3 Other Financial Commitments

Other financial commitments primarily relate to the following:

- *Financial Commitments given*

	As at December 31, 2010	As at December 31, 2009
Bank guarantees	78,677	119,053
Guarantees on terminal financing	335,376	356,684
Customs guarantees	15,820	18,159
Charter hire commitments	12,084	13,106
Port authorities and administration	3,660	3,795
Office rented guarantees	3,834	2,840
Others guarantees granted for fixed assets	77,282	92,550
Other	21,560	24,067
Mortgage on share of associates	280,714	370,568

As at December 31, 2010, the Company has transferred USD 761,919 thousand of trade receivables as collateral under a securitization program (USD 587,625 thousand as at December 31, 2009).

The Company has also granted certain put options to owners of non-controlling interests. These put options are not disclosed for confidentiality reasons and are assessed as immaterial at Group level.

- *Financial Commitments received*

	As at December 31, 2010	As at December 31, 2009
Guarantees received from the Minister of Finance	—	736
Guarantees received from independent shipping agents	4,871	7,364
Guarantees received from customers	1,870	4,013
Other financial commitments received	46,780	702

The Company has a right to transfer a further USD 253,878 thousand of trade receivables under the Company's securitization program.

30. Related party transactions

For the purposes of this note, the following related parties have been identified:

- Merit Corporation, incorporated in Lebanon, whose ultimate shareholders are Jacques R. Saadé and members of his immediate family, which owns approximately 97% of the share capital of the Company.

- Certain subsidiaries of Merit Corporation, including Merit SAL, a service company providing CMA CGM with cost and revenue control and internal audit support, CMA Liban, a shipping agent and Investment and Financing Corp. Ltd, a container leasing company.

Joint ventures and associates in which CMA CGM has a stake, including:

- CMA CGM Systems (“CCS”), a joint venture with IBM, whose object is to manage the development of business software and to provide IT support to the Group.
- Global Ship Lease, Inc. a ship-owner listed in the U.S. currently owning a fleet of 17 vessels all time chartered to CMA CGM under agreements ranging from 2 to 15 years.
- INTTRA, a company whose activity is to develop e-commerce in the container shipping industry.
- Certain shipping agents: COMAG Italy, Gemartrans, Vietnam Ltd, CMA CGM Korea and CMA CGM Dubai.
- Certain container terminals: Odessa Terminal HoldCo Ltd. and Antwerp Gateway NV.
- A not for profit foundation “Fondation d’Entreprise CMA CGM” which promotes certain cultural activities.

The related party transactions can be analyzed as follows:

		As at December 31, 2010	As at December 31, 2009	As at December 31, 2008
Operating income	of which:	5,847	8,245	13,377
	CCS	2,041	3,442	5,138
	CMA CGM LIBAN	—	2,334	1,445
	COMAG	1,494	722	2,047
	GLOBAL SHIP LEASE	(310)	(280)	1,792
Operating expenses	of which:	(309,538)	(300,873)	(221,403)
	CCS	(126,117)	(128,280)	(119,656)
	GLOBAL SHIP LEASE	(161,438)	(148,017)	(67,348)
	INTTRA	(8,388)	(9,243)	(7,938)
	COMAG	(2,183)	(2,281)	(2,891)
	FONDATION ENTREPRISE CMA CGM	1	2	(1,706)
	CMA CGM LIBAN	—	(1,909)	(4,723)
	INVESTMENT & FINANCING CORP. Ltd	(4,000)	—	—
	MERIT CORPORATION	(5,200)	—	(1,398)
Financial income	of which:	23,529	17,861	29,734
	CCS	8,795	10,186	14,506
	CMA CGM LIBAN	—	144	99
	GLOBAL SHIP LEASE	2,295	2,572	5,857
	ODESSA Terminal Holdco Ltd	1,779	1,975	1,318
	ANTWERP GATEWAY NV	122	742	406
	GEMARTRANS	—	(1)	2,939
Financial expenses	of which:	(22,779)	(19,474)	(11,801)
	CCS	(4,006)	(11,508)	(9,910)
	CMA CGM LIBAN	—	(80)	(71)
	GLOBAL SHIP LEASE	(1,024)	(1,157)	21
	ANTWERP GATEWAY NV	(6,981)	(27)	—
	MERIT CORPORATION	(2,096)	(1,137)	—

The balance sheet positions corresponding to the related parties listed above are:

	Non Current assets		Current assets		Non Current Assets Held for sale		Non Current liabilities		Current liabilities		Non Current Liabilities Held for sale	
	As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009
CCS	33,716	40,362	—	232	—	—	—	—	30,357	54,255	—	—
COMAG	—	8	2,501	2,481	—	—	—	171	953	477	—	—
INTRTA	—	1,362	3	—	—	—	—	—	—	1,952	—	—
MERIT CORPORATION	5,114	—	—	—	—	—	—	—	62,597	69,642	—	—
CMA CGM LIBAN	—	360	—	6,774	—	—	—	—	—	2,714	—	—
FONDATION ENTREPRISE CMA CGM	—	—	1	1	—	—	—	—	—	—	—	—
GEMARTRANS	—	29	1,913	1,913	—	—	—	—	—	—	—	—
ODESSA Terminal Holdco Ltd	40,349	45,302	9,256	904	—	—	—	—	—	—	—	—
ANTWERP GATEWAY NV	9,481	9,348	428	1,749	—	—	—	—	—	—	—	—
GLOBAL SHIP LEASE	72,287	74,404	767	838	—	—	—	—	7,199	6,233	—	—
CONTAINER HANDLING ZEEBRUGGE NV	10,447	10,084	229	838	—	—	—	—	—	—	—	—
NWS PORTS MANAGEMENT WENZHOU LTD*	—	—	—	—	—	12,576	—	—	—	—	—	—
INITIAL SUN LIMITED	—	—	—	10,140	—	—	—	—	—	—	—	—
GEOCOTON HOLDING SAS	—	—	263	4,966	—	—	—	—	—	—	—	—
Other entites	8,943	8,767	12,133	3,075	978	887	3,836	1,486	4,502	1,911	32,678	—
Total balance sheet positions	180,336	190,025	27,494	33,909	978	13,463	3,836	1,657	105,607	137,185	32,678	—

Included in current liabilities are the dividends declared and not yet paid paid to Merit amounting to USD 53,674 thousand.

Included in employee benefits are the key management compensations for a total amount of USD 3,913 thousand as at December 31, 2010 (USD 3,216 thousand as at December 31, 2009 and USD 3,237 thousand as at December 31, 2008).

31. Scope of consolidation

As at December 31, 2010, the scope of consolidation comprises 238 companies or sub-groups. Subsidiaries included in the scope of consolidation are disclosed in the table below:

<u>Legal Entity</u>	<u>Country</u>	<u>Direct and indirect percentage of interest</u>	<u>Consolidation method</u>
CMA CGM SA (parent company)	France		
<u>SHIPPING ACTIVITY</u>			
ACOMAR	Morocco	99.50%	Full
ANL CONTAINER LINE LTD	Australia	100.00%	Full
ANL SINGAPORE	Australia	100.00%	Full
ATLANTIC II	France	100.00%	Full
ATLAS NAVIGATION	Morocco	99.50%	Full
CHENG LIE NAVIGATION CO PTE, LTD	Taiwan	99.07%	Full
CHENG LIE NAVIGATION CO, LTD	Taiwan	99.08%	Full
CMA CGM ANTILLES GUYANE	France	100.00%	Full
CMA CGM INTERNATIONAL SHIPPING PTE. LTD	Singapore	100.00%	Full
CMA CGM LIBYA	Libya	79.84%	Full
CMA CGM SHIPS	Morocco	99.72%	Full
CMA CGM UK SHIPPING	United Kingdom	99.82%	Full
CMA SHIPS SAS	France	100.00%	Full
CMG MINA QABOOS	France	100.00%	Full
CNC LINE LTD	Taiwan	99.08%	Full
COMANAV	Morocco	99.50%	Full
DELMAS	France	100.00%	Full
DELMAS SHIPPING SOUTH AFRICA	South Africa	100.00%	Full
DEXTRAMAR	Morocco	99.72%	Full
ILE DE France	France	100.00%	Full
KAYLAS MARITIME	France	100.00%	Full
MACANDREWS LTD	United Kingdom	99.82%	Full
MARBAR MARITIME	Morocco	99.50%	Full
OTAL LTD	United Kingdom	100.00%	Full
PT CONTAINER SHIPPING INDONESIA	Indonesia	100.00%	Full
SNC ALIZE 1954	France	100.00%	Full
SNC ALIZE 1955	France	100.00%	Full
SNC ALIZE 1956	France	100.00%	Full
SNC ALIZE 1957	France	100.00%	Full
SNC ALIZE 1992	France	100.00%	Full
SNC ALIZE 1993	France	100.00%	Full
SNC ALIZE 1994	France	100.00%	Full
SNC ALIZE 1995	France	100.00%	Full
SNC ALIZE 1996	France	100.00%	Full
SNC ALIZE 1997	France	100.00%	Full
SNC ALIZE 1998	France	100.00%	Full
SNC ALIZE 1999	France	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-1	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-2	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-3	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-4	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-5	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2007-6	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-1	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-2	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-3	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-4	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-5	Ireland	100.00%	Full
SPV PROVENCE SHIPOWNER 2008-6	Ireland	100.00%	Full
VEGA Container Vessel 2006-1 Plc Ltd co	Ireland	100.00%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
AGENCIES			
AFRICAN AGENCY	France	50.50%	Full
ANL EUROPE BV	Netherlands	51.00%	Full
CAGEMA LIMITED	Caribbean	100.00%	Full
CCK UKRAINE	Ukraine	54.89%	Full
CMA CGM AGENCY AG (SUISSE)	Switzerland	99.80%	Full
CMA CGM AUSTRIA	Austria	99.80%	Full
CMA CGM AGENCES France	France	99.70%	Full
CMA CGM AGENCIES INDIA Pvt Ltd	India	69.86%	Full
CMA CGM ALGERIE	Algeria	79.84%	Full
CMA CGM AMERICA LLC	USA	99.80%	Full
CMA CGM AND ANL HONG KONG	Hong Kong	99.80%	Full
CMA CGM AND ANL MALAYSIA SDN BHD	Malaysia	99.80%	Full
CMA CGM & ANL PHILIPPINES INC	Philippines	59.88%	Full
CMA CGM AND ANL SINGAPORE	Singapore	99.80%	Full
CMA CGM AND ANL TAIWAN LTD	Taiwan	99.80%	Full
CMA CGM ANL (New Zealand) Ltd	New Zealand	99.80%	Full
CMA CGM ARGENTINA SA	Argentina	54.89%	Full
CMA CGM AUSTRALIA	Australia	99.80%	Full
CMA CGM BELGIUM	Belgium	99.97%	Full
CMA CGM BRAZIL	Brazil	99.80%	Full
CMA CGM CANADA	Canada	99.80%	Full
CMA CGM CENTRAL ASIA	Kazakhstan	59.88%	Full
CMA CGM CHILE SA	Chile	99.80%	Full
CMA CGM CHINA	China	100.00%	Full
CMA CGM COLOMBIA	Colombia	50.90%	Full
CMA CGM CROATIA	Croatia	99.80%	Full
CMA CGM DELMAS NIGERIA	Nigeria	66.61%	Full
CMA CGM DEUTSCHLAND	Germany	99.80%	Full
CMA CGM EAST AND SOUTH INDIA	India	99.80%	Full
CMA CGM EGYPT	Egypt	99.91%	Full
CMA CGM ESTONIA LTD	Estonia	54.89%	Full
CMA CGM FINLAND	Finland	99.80%	Full
CMA CGM GLOBAL INDIA	India	50.90%	Full
CMA CGM GREECE	Greece	50.90%	Full
CMA CGM HOLDING BV (Netherlands)	Netherlands	99.80%	Full
CMA CGM HUNGARY	Hungary	99.80%	Full
CMA CGM IBERICA	Spain	74.85%	Full
CMA CGM IRELAND	Ireland	59.88%	Full
CMA CGM ITALY	Italy	98.80%	Full
CMA CGM JAMAICA LTD	Jamaica	65.90%	Full
CMA CGM JAPAN	Japan	74.85%	Full
CMA CGM KENYA	Kenya	64.87%	Full
CMA CGM LATVIA Ltd	Latvia	54.89%	Full
CMA CGM MADAGASCAR	Madagascar	99.80%	Full
CMA CGM MAGHREB	France	99.80%	Full
CMA CGM MALAYSIA SDN BHD	Malaysia	99.80%	Full
CMA CGM MAROC	Morocco	79.73%	Full
CMA CGM MEXICO	Mexico	99.80%	Full
CMA CGM NOUMEA	Noumea	99.80%	Full
CMA CGM PAKISTAN (PVT) LTD	Pakistan	59.88%	Full
CMA CGM PANAMA	Panama	59.88%	Full
CMA CGM PAPEETE	Papeete	99.80%	Full
CMA CGM PERU SA	Peru	99.80%	Full
CMA CGM PORT SAID NAVIGATION	Egypt	79.84%	Full
CMA CGM PORTUGAL	Portugal	59.88%	Full
CMA CGM REUNION	Reunion	74.85%	Full

Legal Entity	Country	Direct and indirect percentage of interest	Consolidation method
CMA CGM ROMANIA	Romania	50.90%	Full
CMA CGM RUSSIA	Russia	99.80%	Full
CMA CGM SCANDINAVIA - Norway	Norway	99.80%	Full
CMA CGM SCANDINAVIA AS - Danemark	Denmark	99.80%	Full
CMA CGM SCANDINAVIA AS - Sverige	Sweden	99.80%	Full
CMA CGM SERBIA	Serbia	99.80%	Full
CMA CGM SHIPPING AGENCIES UKRAINE	Ukraine	99.80%	Full
CMA CGM SLOVENIA	Slovenia	99.80%	Full
CMA CGM ST MARTEEN	St Marteen	50.90%	Full
CMA CGM STH AFRICA	South Africa	99.80%	Full
CMA CGM TANZANIA	Tanzania	64.87%	Full
CMA CGM TRINIDAD	Trinidad	59.88%	Full
CMA CGM TURKEY	Turkey	54.79%	Full
CMA CGM URUGUAY	Uruguay	54.89%	Full
CMA CGM VENEZUELA	Venezuela	59.88%	Full
CMA CGM VIETNAM	Vietnam	50.90%	Full
COMARINE	Morocco	89.84%	Full
COMPAGNIE GENERALE DE L'ATLANTIQUE	France	100.00%	Full
DELMAS BENIN	Benin	50.90%	Full
DELMAS CAMEROUN	Cameroun	50.90%	Full
DELMAS CHINA SHIPPING CO LTD	China	100.00%	Full
DELMAS CONGO	Congo	50.70%	Full
DELMAS COTE D'IVOIRE	Ivory Coast	64.87%	Full
DELMAS GABON	Gabon	50.70%	Full
DELMAS GHANA	Ghana	63.77%	Full
DELMAS HONG KONG LTD	Hong Kong	100.00%	Full
DELMAS REUNION	Reunion	74.85%	Full
DELMAS SENEGAL	Senegal	50.80%	Full
DELMAS SHIPPING (S) PTE LTD	Singapore	100.00%	Full
DELMAS TOGO	Togo	50.70%	Full
DEXTRA MAGHREB	Morocco	99.49%	Full
France MARITIME AGENCY	Mauritius	99.80%	Full
GIE AGENCE FRANCE	France	100.00%	Full
JAKARTA LLOYD AUSTRALIA PTE LDT	Australia	100.00%	Full
MAC ANDREWS NETHERLANDS BV	Netherlands	99.82%	Full
MAC ANDREWS SA (Spain)	Spain	99.82%	Full
POLISH UNITED BALTIC CORPORATION	Poland	99.80%	Full
PT CONTAINER AGENCY INDONESIA	Indonesia	70.00%	Full
SOMARIG	French Guyanna	100.00%	Full
SUDCARGOS ALGERIE SPA	Algeria	51.70%	Full
UAB CMA CGM SHIPPING AGENCY PLLC (Lituania)	Lituania	99.80%	Full
<u>HANDLING ACTIVITY</u>			
ALTERCO	Algeria	58.98%	Full
CGA AND CIE SAS	France	100.00%	Full
GMG	Guadeloupe	100.00%	Full
GMM	Martinique	100.00%	Full
LATTAKIA INT. CONT. TERMINAL LLC	Syria	51.00%	Full
MALTA FREEPORT TERMINAL LTD.	Malta	100.00%	Full
MANUCO	Morocco	99.50%	Full
NORD France TERMINAL	France	91.00%	Full
SOMAPORT	Morocco	99.50%	Full
TERMINAL LINK BAYPORT LLC	USA	100.00%	Full
TERMINAL LINK HONG KONG LTD (TLHK)	Hong Kong	100.00%	Full
TERMINAL LINK HOUSTON STEEVEDORING INC	USA	100.00%	Full
TERMINAL LINK MIAMI	USA	100.00%	Full
TERMINAL LINK TEXAS LLC	USA	51.00%	Full
UDEMAM	Morocco	94.67%	Full

<u>Legal Entity</u>	<u>Country</u>	<u>Direct and indirect percentage of interest</u>	<u>Consolidation method</u>
CONTAINERS (MAINTENANCE & REPAIRS)			
ACTIVITY			
ANL CONTAINER HIRE AND SALES PTY LTD	Australia	51.00%	Full
PROGECO BELGIUM NV	Belgium	100.00%	Full
PROGECO DEUTSCHLAND GMBH	Germany	100.00%	Full
PROGECO France	France	100.00%	Full
PROGECO HOLLAND BV	Netherlands	100.00%	Full
DELMAS CONGO	Congo	50.70%	Full
DELMAS COTE D'IVOIRE	Ivory Coast	64.87%	Full
DELMAS GABON	Gabon	50.70%	Full
DELMAS GHANA	Ghana	63.77%	Full
DELMAS HONG KONG LTD	Hong Kong	100.00%	Full
DELMAS REUNION	Reunion	74.85%	Full
DELMAS SENEGAL	Senegal	50.80%	Full
DELMAS SHIPPING (S) PTE LTD	Singapore	100.00%	Full
DELMAS TOGO	Togo	50.70%	Full
DEXTRA MAGHREB	Morocco	99.49%	Full
France MARITIME AGENCY	Mauritius	99.80%	Full
GIE AGENCE FRANCE	France	100.00%	Full
JAKARTA LLOYD AUSTRALIA PTE LDT	Australia	100.00%	Full
MAC ANDREWS NETHERLANDS BV	Netherlands	99.82%	Full
MAC ANDREWS SA (Spain)	Spain	99.82%	Full
POLISH UNITED BALTIC CORPORATION	Poland	99.80%	Full
PT CONTAINER AGENCY INDONESIA	Indonesia	70.00%	Full
SOMARIG	French Guyanna	100.00%	Full
SUDCARGOS ALGERIE SPA	Algeria	51.70%	Full
UAB CMA CGM SHIPPING AGENCY PLLC (Lituania)	Lituania	99.80%	Full
FINANCIAL HOLDING			
CMA CGM HOLDING AND CO SAS	France	100.00%	Full
CMA CGM OVERSEAS (Taiwan) INVESTMENT LTD	Taiwan	99.80%	Full
CMA CGM OVERSEAS INVESTMENT Holland BV	Netherlands	99.80%	Full
CMA CGM OVERSEAS INVESTMENT LTD	United Kingdom	99.82%	Full
CMA CGM PARTICIPATIONS	France	100.00%	Full
CMA CGM UK HOLDING	United Kingdom	99.82%	Full
CMA CGM WORLD WIDE	France	99.80%	Full
COMPAGNIE MARITIME FINANCIERE (Ships)	France	100.00%	Full
LAND TRANSPORT INTERNATIONAL	France	95.00%	Full
TERMINAL LINK SA	France	100.00%	Full
TERMINAL LINK USA INC	USA	100.00%	Full
OTHER ACTIVITIES			
ANTARES DEVELOPPEMENT	France	100.00%	Full
CIA NAVIERA INDEPENDENCIA (C.N.I.)	Panama	100.00%	Full
CMA CGM CARIBBEAN INC.	Caribbean	100.00%	Full
CMA CGM GLOBAL AGENCY Pte Ltd	Singapore	69.86%	Full
CMA SHIPS UK	United Kingdom	100.00%	Full
CMA SKY LINK	France	100.00%	Full
PORT SERVICES AGENCY	Malaysia	69.86%	Full
ASSOCIATES AND JOINT VENTURES ARE			
<u>DISCLOSED IN THE TABLE BELOW</u>			
BROOKLYN KIEV PORT LTD	Ukrainia	50.00%	Equity method
CMA CGM ANL DUBAI	Dubai	48.90%	Equity method
CMA CGM KOREA	Korea	49.90%	Equity method
CMA CGM KUWAIT	Kuwait	48.90%	Equity method
CMA CGM LANKA	Sri Lanka	39.90%	Equity method

<u>Legal Entity</u>	<u>Country</u>	<u>Direct and indirect percentage of interest</u>	<u>Consolidation method</u>
CMA CGM SYSTEMS	France	50.00%	Equity method
CMA CGM THAILAND LTD	Thailand	48.90%	Equity method
CMA CGM TUNISIA	Tunisia	48.90%	Equity method
COMAG ITALY	Italy	49.00%	Equity method
CONTAINER HANDLING ZEEBRUGE	Belgium	35.00%	Equity method
GEMALINK	Vietnam	28.57%	Equity method
GEMARTRANS	Vietnam	49.00%	Equity method
GLOBAL SHIP LEASE	USA	45.14%	Equity method
INTERRAF	Ukrainia	45.00%	Equity method
OSCO	Ukrainia	46.80%	Equity method
OTHL	Cyprus	50.00%	Equity method
PORTSYNERGY SAS	France	50.00%	Equity method
SOUTH FLORIDA CONTAINER TERMINAL	USA	51.00%	Equity method
XIAMEN HXCT	China	22.22%	Equity method

32. Post balance sheet events

Investment of Yildirim

On January 27, 2011, the Company received USD 500 million in cash in relation to the investment of Yildirim through a subscription to bonds mandatorily redeemable in the Company's preferred shares. The issuance of these bonds was authorized by a shareholders' general meeting held on November 22, 2010. These bonds will bear interest at 12% per annum payable in cash. Upon mandatory conversion into preferred shares in 2016, they will be entitled to a preferred dividend providing an effective yield of 12% per annum payable in cash. In 2018, they will automatically be converted into common shares of the Company.

Status of the discussions with lenders

At the date of the publication of these annual consolidated financial statements, the Company had reached agreements with substantially all of its lenders regarding its financial restructuring. The detailed status of the implementation of these restructuring principles is disclosed in Note 3.

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CMA CGM S.A.



\$475,000,000 8.500% Senior Notes due 2017

€325,000,000 8.875% Senior Notes due 2019

Joint Book Running Managers

BNP PARIBAS

Deutsche Bank

**Société Générale
Corporate & Investment Banking**

Citi

Natixis

May 16, 2011
