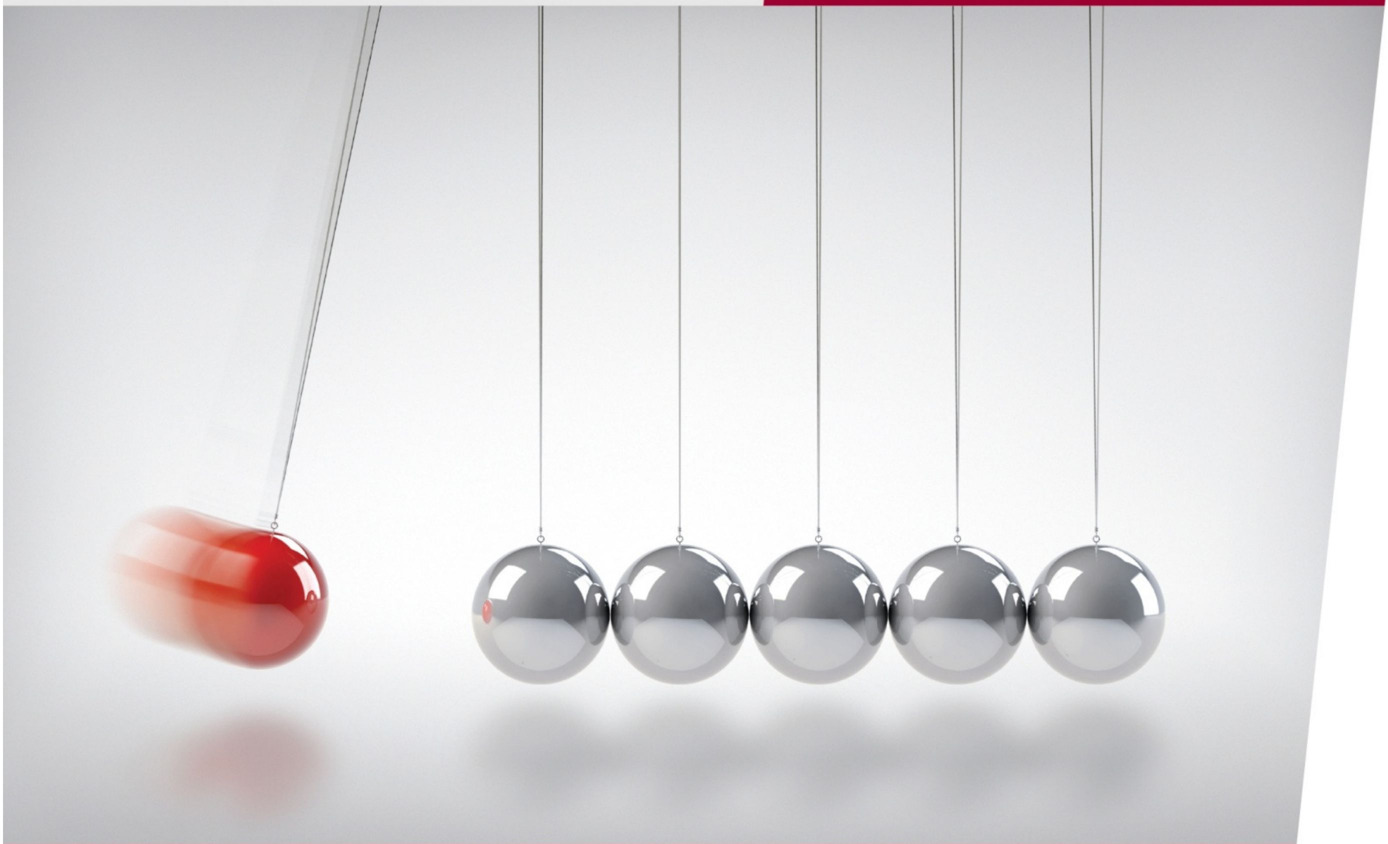
CEVA Group Plc

Quarter Three, 2011 Interim Financial Statements



Accelerating Momentum

Making business flow

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Cautionary statement: the operating and financial review and certain other sections of this document contain forward looking statements which are subject to risk factors associated with, amongst others, the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables, which could cause actual results to differ materially from those currently anticipated.

Principal Activities

CEVA is one of the world's leading non-asset based supply chain management companies and offers a broad spectrum of services based on market leading Freight Management and Contract Logistics expertise and capabilities. CEVA designs, implements and operates complex supply chain solutions for multinational and large and medium sized companies on a national, regional and global level. CEVA operates a non-asset based model across all business units, with third parties providing the majority of the physical transportation and warehousing assets that CEVA manages and uses for the benefit of its customers. The integrated service offerings span the entire supply chain: Contract Logistics services that include inbound logistics, manufacturing support, outbound/distribution and aftermarket logistics and Freight Management services that include air, ocean and land-based transport and other freight transportation related services, such as customs brokerage, local pick-up and delivery service, materials management and trade facilitation. At 31 December 2010, CEVA's combined global network comprised approximately 1,200 locations, utilizing a total of approximately 10 million square meters of warehousing space in over 170 countries.

CEVA has built leading market positions by understanding its target industry sectors and applying extensive expertise to design and implement customized logistics solutions that address industry-specific supply chain requirements. CEVA has deep expertise in a range of industries including Automotive, Technology, Consumer and Retail, Energy and Industrial. CEVA's knowledge of customers' supply chain functions and sector expertise creates competitive advantages for its customers, helps to develop more cost-effective solutions for them and puts CEVA in a strong position to grow its business.

Key Financial Results

The table below shows the Group's key consolidated financial results for the three and nine month periods ended 30 September 2011 and 2010:

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
€ millions	**2011**	**2010**	**2011**	**2010**
Revenue	1,755	1,815	5,154	5,047
Revenue growth	(3.3)%	32.3%	2.1%	25.8%
EBITDA before specific items	86	86	238	203
EBITDA before specific items as a % of revenue	4.9%	4.7%	4.6%	4.0%
Profit/(Loss) before income taxes	(100)	27	(143)	(171)
Capital expenditure	15	24	51	76
Capital expenditure as a % of revenue	0.9%	1.3%	1.0%	1.5%
Cash generated from operations	40	53	108	82

The table below shows the Group's key other financial metrics as at 30 September 2011 and 31 December 2010:

	30 SEPTEMBER	31 DECEMBER
€ millions	**2011**	**2010**
Net working capital	(48)	(26)
Cash and cash equivalents	210	216
Net debt	2,692	2,601

Operating and Financial Review

Revenue

The tables below show the Group's operating segment revenue for the three and nine month periods ended 30 September 2011 and 2010, together with additional geographic information:

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
€ millions	**2011**	**2010**	**2011**	**2010**
Freight Management	817	900	2,357	2,425
Contract Logistics	938	915	2,797	2,622
Total revenue	**1,755**	**1,815**	**5,154**	**5,047**

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
€ millions	**2011**	**2010**	**2011**	**2010**
Northern Europe	415	393	1,224	1,146
Southern Europe, Middle East and Africa	307	324	953	927
Americas	526	561	1,534	1,541
Asia Pacific	507	537	1,443	1,433
Total revenue	**1,755**	**1,815**	**5,154**	**5,047**

Revenue decreased by 3.3% to €1,755 million for the three months ended 30 September 2011 from €1,815 million for the three months ended 30 September 2010 due to lower revenue in Freight Management, compensated by higher revenues in Contract Logistics.

As CEVA operates in over 170 countries, its financial performance is impacted by foreign currency fluctuations, particularly the US dollar and the British pound. Therefore, for comparative purposes, we also report our results on a constant currency basis using 2010 exchange rates. On a constant currency basis, our revenue would be €1,836 million for the three months ended 30 September 2011 (three months ended 30 September 2010: €1,815 million), an increase of 1.2%. This difference compared to the actual result for the quarter arises largely from the weakening of the US dollar.

In the third quarter, Freight Management revenue decreased by €83 million (9.2%) to €817 million. The decrease in revenue was the result of lower freight rates in both air and ocean and also due to lower airfreight volumes.

Revenue in the Contract Logistics business increased by €23 million (2.5%) to €938 million for the three months ended 30 September 2011 compared to the three months ended 30 September 2010. This growth occurred across all regions due to strong customer volumes.

EBITDA before specific items

EBITDA before specific items is a key financial measure used by management to assess operational performance. It excludes the costs incurred in the realization of our cost containment programs, other non-recurring charges and the profits realized on certain non-recurring transactions.

The tables below show the Group's operating segment EBITDA before specific items for the three and nine month periods ended 30 September 2011 and 2010 together with additional geographical information:

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
€ millions	**2011**	**2010**	**2011**	**2010**
Freight Management	36	38	92	66
Contract Logistics	50	48	146	137
Total EBITDA before specific items	**86**	**86**	**238**	**203**

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
€ millions	**2011**	**2010**	**2011**	**2010**
Northern Europe	20	18	59	44
Southern Europe, Middle East and Africa	13	11	38	41
Americas	27	33	69	59
Asia Pacific	26	24	72	59
Total EBITDA before specific items	**86**	**86**	**238**	**203**

EBITDA before specific items was €86 million for the three months ended 30 September 2011 and 2010. On a constant currency basis, EBITDA before specific items would be €91 million for the three months ended 30 September 2011 (three months ended 30 September 2010: €86 million).

Freight Management EBITDA before specific items decreased by €2 million for the three months ended 30 September 2011 compared to the three months ended 30 September 2010 which is mainly impacted by lower airfreight volumes in the Americas and Asia Pacific regions.

Contract Logistics EBITDA before specific items increased by €2 million to €50 million for the three months ended 30 September 2011 compared to the three months ended 30 September 2010. The increase was mainly due to higher volumes from existing business.

Net finance expense

Net finance expense for the three months ended 30 September 2011 was €122 million and includes a €58 million foreign exchange loss largely as a result of the weakening of the US dollar against the Euro. Net finance expense for the same period in 2010 was €9 million profit and included an exchange rate gain of €63 million largely as a result of the strengthening of the US dollar against the Euro during this period.

Loss before income taxes

Loss before income taxes was €100 million for the three months ended 30 September 2011 (three months ended 30 September 2010: profit of €27 million). Loss before income taxes before specific items was €79 million for the three months ended 30 September 2011 (three months ended 30 September 2010: profit of €51 million).

Capital expenditure

Capital expenditure was €15 million for the three months ended 30 September 2011 (three months ended 30 September 2010: €24 million) and represents 0.9% of revenue for the third quarter of 2011. This low level of expenditure reflects the Group's continued focus in this area and its non-asset based business model.

Net working capital

The Group's net working capital was €(48) million as at 30 September 2011 (31 December 2010: €(26) million, 30 September 2010: €(14) million). The decrease since 31 December 2010 and compared to 30 September 2010 is mainly due to the continued focus of management on net working capital and in particular due to a further reduction of overdue receivables.

Cash generated from operations

Cash generated from operations during the three months ended 30 September 2011 amounted to €40 million (three months ended 30 September 2010: €53 million).

Cash and cash equivalents

As at 30 September 2011, CEVA had €210 million (31 December 2010: €216 million) of cash on its balance sheet.

In addition to this cash, the Group has access to €289 million (31 December 2010: €294 million) of central credit facilities, of which €217 million (31 December 2010: €115 million) was drawn. Total available liquidity at 30 September 2011 was therefore €282 million (31 December 2010: €395 million).

Net debt and net finance expense

Net debt, defined as total principal debt less cash and cash equivalents, has increased by 3% to €2,692 million as at 30 September 2011 (31 December 2010: €2,601 million).

Risk factors

CEVA is impacted by a number of risk factors, some of which are not within our control. Many of the risk factors affecting CEVA are macroeconomic and generally affect all companies, whereas others are more particular to CEVA. The principal risk factors faced by CEVA are unchanged from those identified in the 2010 annual financial statements.

Consolidated Income Statement

€ millions, unaudited	Note	THREE MONTHS ENDED 30 SEPTEMBER 2011 Before specific items	2011 Specific items[1]	2011 Total	2010 Before specific items	2010 Specific items[1]	2010 Total
Revenue	6	**1,755**	**-**	**1,755**	**1,815**	-	**1,815**
Cost of materials		(59)	-	(59)	(79)	-	(79)
Work contracted out		(906)	-	(906)	(953)	-	(953)
Personnel expenses		(492)	(4)	(496)	(478)	(4)	(482)
Other operating expenses		(212)	(17)	(229)	(219)	(17)	(236)
Operating expenses excluding depreciation, amortization and impairment		**(1,669)**	**(21)**	**(1,690)**	**(1,729)**	**(21)**	**(1,750)**
EBITDA	6	**86**	**(21)**	**65**	**86**	**(21)**	**65**
Depreciation, amortization and impairment		(43)	-	(43)	(43)	(4)	(47)
Operating income		**43**	**(21)**	**22**	**43**	**(25)**	**18**
Finance income (including foreign exchange movements)		1	-	1	63	1	64
Finance expense (including foreign exchange movements)		(123)	-	(123)	(55)	-	(55)
Net finance income/(expense) (including foreign exchange movements)		**(122)**	**-**	**(122)**	**8**	1	**9**
Profit/(Loss) before income taxes		**(79)**	**(21)**	**(100)**	**51**	**(24)**	**27**
Income tax expense	8	(4)	2	(2)	(3)	2	(1)
Loss for the period from continuing operations		**(83)**	**(19)**	**(102)**	**48**	**(22)**	**26**
Attributable to:							
Non-controlling interests				-			-
Equity holders of the Company				(102)			26
Loss for the period				**(102)**			**26**

[1] Refer to note 7 for details on specific items

Consolidated Income Statement

		NINE MONTHS ENDED 30 SEPTEMBER					
€ millions, unaudited	Note			2011			2010
		Before specific items	Specific items[1]	Total	Before specific items	Specific items[1]	Total
Revenue	6	**5,154**	-	**5,154**	**5,047**	-	**5,047**
Cost of materials		(186)	-	(186)	(220)	-	(220)
Work contracted out		(2,639)	-	(2,639)	(2,608)	-	(2,608)
Personnel expenses		(1,446)	(10)	(1,456)	(1,373)	(10)	(1,383)
Other operating expenses		(645)	(47)	(692)	(643)	(39)	(682)
Operating expenses excluding depreciation, amortization and impairment		**(4,916)**	**(57)**	**(4,973)**	**(4,844)**	**(49)**	**(4,893)**
EBITDA	6	**238**	**(57)**	**181**	**203**	**(49)**	**154**
Depreciation, amortization and impairment		(127)	-	(127)	(129)	(4)	(133)
Operating income		**111**	**(57)**	**54**	**74**	**(53)**	**21**
Finance income (including foreign exchange movements)		8	-	8	3	1	4
Finance expense (including foreign exchange movements)		(205)	-	(205)	(188)	(8)	(196)
Net finance expense (including foreign exchange movements)		**(197)**	**-**	**(197)**	**(185)**	(7)	**(192)**
Loss before income taxes		**(86)**	**(57)**	**(143)**	**(111)**	**(60)**	**(171)**
Income tax expense	8	(18)	6	(12)	(17)	8	(9)
Loss for the period from continuing operations		**(104)**	**(51)**	**(155)**	**(128)**	**(52)**	**(180)**
Attributable to:							
Non-controlling interests				2			1
Equity holders of the Company				(157)			(181)
Loss for the period				**(155)**			**(180)**

[1] Refer to note 7 for details on specific items

Consolidated Statement of Comprehensive Income

THREE MONTHS ENDED 30 SEPTEMBER

€ millions, unaudited	2011			2010		
	Before specific items	Specific items[1]	Total	Before specific items	Specific items[1]	Total
Loss for the period from continuing operations	**(83)**	**(19)**	**(102)**	**48**	**(22)**	**26**
Other comprehensive income:						
Currency translation adjustment	-	-	-	(12)	-	(12)
Total comprehensive loss for the period, net of income tax	**(83)**	**(19)**	**(102)**	**36**	**(22)**	**14**
Attributable to:						
Non-controlling interests			-			1
Equity holders of the Company			(102)			13
Total comprehensiveprofit/(loss) for the period			**(102)**			**14**

[1] Refer to note 7 for details on specific items.

NINE MONTHS ENDED 30 SEPTEMBER

€ millions, unaudited	2011			2010		
	Before specific items	Specific items[1]	Total	Before specific items	Specific items[1]	Total
Loss for the period from continuing operations	**(104)**	**(51)**	**(155)**	**(128)**	**(52)**	**(180)**
Other comprehensive income:						
Currency translation adjustment	(26)	-	(26)	52	-	52
Total comprehensive loss for the period, net of income tax	**(130)**	**(51)**	**(181)**	**(76)**	**(52)**	**(128)**
Attributable to:						
Non-controlling interests			1			2
Equity holders of the Company			(182)			(130)
Total comprehensive loss for the period			**(181)**			**(128)**

[1] Refer to note 7 for details on specific items.

Consolidated Balance Sheet

		AS AT 30 SEPTEMBER	AS AT 31 DECEMBER
€ millions, unaudited	Note	**2011**	**2010**
ASSETS			
Non-current assets			
Intangible assets		1,967	2,044
Property, plant and equipment		301	334
Deferred income tax assets		12	13
Prepayments		28	26
Other non-current assets		17	18
Total non-current assets		**2,325**	**2,435**
Current assets			
Inventory		20	35
Trade and other receivables		1,033	1,077
Prepayments		48	40
Accrued income		230	174
Income tax receivable		1	-
Derivative financial instruments		1	-
Cash and cash equivalents		210	216
Assets held for sale	9	6	2
Total current assets		**1,549**	**1,544**
TOTAL ASSETS		**3,874**	**3,979**
EQUITY			
Capital and reserves attributable to equity holders			
Share capital		1	1
Share premium		382	382
Other reserves		(114)	(89)
Accumulated deficit		(862)	(705)
Attributable to equity holders of the Company		**(593)**	**(411)**
Non-controlling interest		9	8
Total Group equity		**(584)**	**(403)**
LIABILITIES			
Non-current liabilities			
Borrowings	10	2,738	2,654
Deferred income tax liabilities		85	103
Retirement benefit obligations		84	92
Provisions		60	74
Other non-current liabilities		25	25
Total non-current liabilities		**2,992**	**2,948**
Current liabilities			
Borrowings	10	86	82
Provisions		69	75
Trade and other payables		1,311	1,273
Income tax payable		-	4
Total current liabilities		**1,466**	**1,434**
TOTAL EQUITY AND LIABILITIES		**3,874**	**3,979**

Consolidated Statement of Cash Flows

	THREE MONTHS ENDED 30 SEPTEMBER		NINE MONTHS ENDED 30 SEPTEMBER	
€ millions, unaudited	2011	2010	2011	2010
Loss before income taxes	**(100)**	**27**	**(143)**	**(171)**
Adjustments for:				
Share based compensation	1	1	3	3
Depreciation, amortization and impairment	43	47	127	133
Finance income	(1)	(1)	(4)	(4)
Gain on disposal of property, plant and equipment	(3)	-	(3)	-
Foreign exchange (gains) and losses	58	(63)	(4)	8
Finance expense	65	55	205	188
Changes in provisions:				
Retirement benefit obligations	(1)	(3)	(8)	(5)
Provisions	1	-	(12)	-
Changes in working capital:				
Inventory	8	-	14	(19)
Trade and other receivables	(15)	8	14	(38)
Prepayments and accrued income	(7)	(23)	(65)	(71)
Trade and other payables	8	(2)	26	62
Changes in non-current prepayments	(15)	6	(40)	(12)
Changes in non-current accrued liabilities	(2)	1	(2)	8
Cash generated from operations	**40**	**53**	**108**	**82**
Cash received from sale of financial derivative instruments	-	-		-
Interest paid	(43)	(24)	(141)	(128)
Net income taxes paid	(7)	(8)	(24)	(18)
Net cash from operating activities	**(10)**	**21**	**(57)**	**(64)**
Acquisitions/divestment	-	-	-	4
Capital expenditure	(15)	(24)	(51)	(76)
Proceeds from sale of property, plant and equipment	3	1	4	44
Interest received	1	-	4	-
Net cash used in investing activities	**(11)**	**(23)**	**(43)**	**(28)**
Repayment of borrowings	-	-	(21)	(29)
Proceeds from non-current borrowings	43	74	97	17
Proceeds from current borrowings	8	(6)	21	-
Net cash from financing activities	**51**	**68**	**97**	**(12)**
Changes in cash and cash equivalents	**30**	**66**	**(3)**	**(104)**
Cash and cash equivalents at beginning of period	170	148	216	289
Foreign exchange impact on cash and cash equivalents	10	(13)	(3)	16
Cash and cash equivalents at end of period	**210**	**201**	**210**	**201**

Consolidated Statement of Changes in Equity

€ millions, unaudited	Share capital	Share premium	Other reserves	Accumulated deficit	Attributable to equity holders of the Company	Non-controlling interest	Total Group equity
Balance at 1 January 2010	**1**	**382**	**(158)**	**(448)**	**(223)**	**6**	**(217)**
Currency translation adjustment	-	-	51	-	51	1	52
Loss attributable to equity holders for the period	-	-	-	(181)	(181)	1	(180)
Balance at 30 September 2010	**1**	**382**	**(107)**	**(629)**	**(353)**	**8**	**(345)**
Balance at 1 January 2011	**1**	**382**	**(89)**	**(705)**	**(411)**	**8**	**(403)**
Currency translation adjustment	-	-	(25)	-	(25)	(1)	(26)
Loss attributable to equity holders for the period	-	-	-	(157)	(157)	2	(155)
Balance at 30 september 2011	**1**	**382**	**(114)**	**(862)**	**(593)**	**9**	**(584)**

Notes to the Consolidated Interim Financial Statements

1. General Information

CEVA Group Plc (the 'Company') and its subsidiaries (together the 'Group' or 'CEVA Group') design, implement and operate complex, end-to-end Freight Management and Contract Logistics solutions for multinational and large and medium sized companies on a local, regional and global level.

CEVA Group Plc was incorporated on 9 August 2006 in England and Wales as a public company with limited liability. The address of its registered office is 20-22 Bedford Row, London WC1R 4JS, United Kingdom.

The immediate parent of CEVA Group Plc is CEVA Investments Limited, a company incorporated in the Cayman Islands. The ultimate controlling party of CEVA Group Plc is Apollo Global Management, LLC ('Apollo').

The Company has senior secured, junior priority senior secured, senior and senior subordinated notes which are listed on the Global Exchange Market of the Irish Stock Exchange.

This Results Announcement does not constitute the statutory accounts of the Group within the meaning of sections 434(3) and 435(3) of the Companies Act 2006. The balance sheet at 31 December 2010 has been derived from the full Group accounts published in the 2010 Annual Report, which has been delivered to the Registrar of Companies and on which the report of the independent auditors was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

These consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 4 November 2011.

2. Basis of Preparation

This condensed consolidated interim financial information for the three and nine months ended 30 September 2011 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Subsequent to 31 December 2010, the Company has changed its reporting segments to its Freight Management and Contract Logistics businesses because this presentation has become the main focus of the Company's chief operating decision maker ("CODM"), which is the Executive Board of CEVA Group Plc (the "Executive Board"), and is now the primary way in which the CODM is provided with financial information. The Company's internal organization and management structure is also aligned to the two businesses. From a practical perspective, the Company also manages its operations on a regional basis; however, this is no longer the primary focus of the CODM. All reporting to the CODM analyzes performance by Freight Management and Contract Logistics business activity, and resources are now allocated on this basis. In addition to the historical presentation, disclosure has been included in the segment note to reflect the change in reporting segments retrospectively.

3. Accounting Policies

The accounting policies applied are consistent with those applied in the consolidated financial statements as at and for the year ended 31 December 2010, and as described in those consolidated financial statements.

4. Critical Accounting Estimates and Judgments

The preparation of financial statements in accordance with generally accepted accounting principles under IFRS requires the Group to make estimates, judgments and assumptions that may affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities in the financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition, rarely equal the related actual results. Actual results may differ significantly from these estimates, the effect of which is recognized in the period in which the facts that give rise to the revision become known.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at, and for, the year ended 31 December 2010.

5. Financial Risk Management

The Group's operations and financial results are subject to various risks and uncertainties that could adversely affect our business, financial position, results of operations and cash flows. The Group's risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at, and for, the year ended 31 December 2010.

The Group operates internationally and generates foreign currency exchange risks arising from future commercial transactions, recognized assets and liabilities, investments and divestments in foreign currencies other than the Euro, the Group's functional and reporting currency.

The main exchange rates are shown below:

			2011			2010
	September closing	Three Month Average	Nine Month Average	December closing	Three Month Average	Nine Month Average
British pound	0.8595	0.8775	0.8711	0.8574	0.8335	0.8569
US dollar	1.3449	1.4122	1.4058	1.3366	1.2926	1.3139

6. Segment Information

The chief operating decision maker is the Executive Board. The Executive Board reviews the Company's internal reporting to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Board considered the operations from a business perspective. In addition, information from a geographical perspective has also been presented.

Operating segments

- Freight Management including the provision of international air, ocean and domestic freight forwarding, customs brokerage, deferred air and pick up and delivery, and other value-added services; and
- Contract Logistics including the provision of inbound logistics, manufacturing support, outbound/distribution logistics and aftermarket logistics.

Additional geographical information

- Americas (including the United States of America, Canada, Brazil, Argentina and Mexico);
- Asia Pacific (including Australia, China, Singapore, Thailand, Malaysia and India);
- Northern Europe (including the United Kingdom, Ireland, the Nordics, Benelux, France, Germany and Eastern Europe); and
- Southern Europe (including Italy, Spain, Turkey and Greece), Middle East and Africa.

The Executive Board assesses the performance of the operating segments based on earnings before interest, tax, depreciation and amortization (EBITDA) before specific items. Interest income and expenditure are not included in the result for each operating segment that is reviewed by the Executive Board. The information provided to the Executive Board is measured in a manner consistent with that in the financial statements.

Operating segments

The segment results for the three months ended 30 September 2011 are as follows:

€ millions			2011
	Freight Management	Contract Logistics	Total
Total segment revenue	819	945	1,764
Inter-segment revenue	(2)	(7)	(9)
Revenue from external customers	**817**	**938**	**1,755**
EBITDA before specific items	**36**	**50**	**86**
Specific items			(21)
EBITDA			**65**
Depreciation, amortization and impairment			(43)
Operating income			**22**

The segment results for the three months ended 30 September 2010 are as follows:

			THREE MONTHS ENDED 30 SEPTEMBER
€ millions			2010
	Freight Management	Contract Logistics	Total
Total segment revenue	901	919	1,820
Inter-segment revenue	(1)	(4)	(5)
Revenue from external customers	**900**	**915**	**1,815**
EBITDA before specific items	**38**	**48**	**86**
Specific items			(21)
EBITDA			**65**
Depreciation, amortization and impairment			(47)
Operating income			**18**

The segment results for the nine months ended 30 September 2011 are as follows:

			NINE MONTHS ENDED 30 SEPTEMBER
€ millions			2011
	Freight Management	Contract Logistics	Total
Total segment revenue	2,360	2,812	5,172
Inter-segment revenue	(3)	(15)	(18)
Revenue from external customers	**2,357**	**2,797**	**5,154**
EBITDA before specific items	**92**	**146**	**238**
Specific items			(57)
EBITDA			**181**
Depreciation, amortization and impairment			(127)
Operating income			**54**

The segment results for the nine months ended 30 September 2010 are as follows:

			NINE MONTHS ENDED 30 SEPTEMBER
€ millions			2010
	Freight Management	Contract Logistics	Total
Total segment revenue	2,427	2,633	5,060
Inter-segment revenue	(2)	(11)	(13)
Revenue from external customers	**2,425**	**2,622**	**5,047**
EBITDA before specific items	**66**	**137**	**203**
Specific items			(49)
EBITDA			**154**
Depreciation, amortization and impairment			(133)
Operating income			**21**

Geographical information

The geographical results for the three months ended 30 September 2011 are as follows:

€ millions	Northern Europe	Southern Europe, Middle East and Africa	Americas	Asia Pacific	THREE MONTHS ENDED 30 SEPTEMBER 2011 Total
Total segment revenue	422	311	537	510	1,780
Inter-segment revenue	(7)	(4)	(11)	(3)	(25)
Revenue from external customers	**415**	**307**	**526**	**507**	**1,755**
EBITDA before specific items	**20**	**13**	**27**	**26**	**86**
Specific items					(21)
EBITDA					**65**
Depreciation, amortization and impairment					(43)
Operating income					**22**

The geographical results for the three months ended 30 September 2010 are as follows:

€ millions	Northern Europe	Southern Europe, Middle East and Africa	Americas	Asia Pacific	THREE MONTHS ENDED 30 SEPTEMBER 2010 Total
Total segment revenue	400	328	571	541	1,840
Inter-segment revenue	(7)	(4)	(10)	(4)	(25)
Revenue from external customers	**393**	**324**	**561**	**537**	**1,815**
EBITDA before specific items	**18**	**11**	**33**	**24**	**86**
Specific items					(21)
EBITDA					**65**
Depreciation, amortization and impairment					(47)
Operating income					**18**

The geographical results for the nine months ended 30 September 2011 are as follows:

€ millions	Northern Europe	Southern Europe, Middle East and Africa	Americas	Asia Pacific	NINE MONTHS ENDED 30 SEPTEMBER 2011 Total
Total segment revenue	1,242	963	1,564	1,453	5,222
Inter-segment revenue	(18)	(10)	(30)	(10)	(68)
Revenue from external customers	**1,224**	**953**	**1,534**	**1,443**	**5,154**
EBITDA before specific items	**59**	**38**	**69**	**72**	**238**
Specific items					(57)
EBITDA					**181**
Depreciation, amortization and impairment					(127)
Operating income					**54**

The geographical results for the nine months ended 30 September 2010 are as follows:

€ millions	Northern Europe	Southern Europe, Middle East and Africa	Americas	Asia Pacific	Total
					NINE MONTHS ENDED 30 SEPTEMBER 2010
Total segment revenue	1,163	936	1,556	1,445	5,100
Inter-segment revenue	(17)	(9)	(15)	(12)	(53)
Revenue from external customers	**1,146**	**927**	**1,541**	**1,433**	**5,047**
EBITDA before specific items	**44**	**41**	**59**	**59**	**203**
Specific items					(49)
EBITDA					**154**
Depreciation, amortization and impairment					(133)
Operating income					**21**

7. Specific Items

€ millions	THREE MONTHS ENDED 30 SEPTEMBER 2011	THREE MONTHS ENDED 30 SEPTEMBER 2010	NINE MONTHS ENDED 30 SEPTEMBER 2011	NINE MONTHS ENDED 30 SEPTEMBER 2010
Personnel expenses	4	4	10	10
Other operating expenses	17	17	47	39
Depreciation, amortization and impairment	-	4	-	4
Finance income	-	(1)	-	(1)
Finance expense	-	-	-	8
Total before income tax expense	**21**	**24**	**57**	**60**

Personnel expenses

In the three months ended 30 September 2011 and 2010, personnel expenses are largely one time costs incurred in relation to the cost reduction programs being implemented by the Group.

Other operating expenses

In the three months ended 30 September 2011, other operating expenses mainly comprise expenses related to the ongoing industry wide antitrust investigation, restructuring costs, investments in outsourcing finance resources and redesigning freight management processes.

In the three months ended 30 September 2010, other operating expenses mainly comprise expenses related to the on-going industry wide anti-trust investigation, site optimization and consolidation costs, business rationalization and restructuring costs.

Depreciation, amortization and impairment

In the three months ended 30 September 2010 the Group recognized an impairment loss for the write down of one of its buildings in the Americas region to fair value less cost to sell following the commitment of the Group's management to sell, and subsequently lease back, the building.

8. Income Tax Expense

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year before specific items. The estimated average annual tax rate used for the nine months ended 30 September 2011 is (8.8)% (nine months ended 30 September 2010: (5.3)%). The main difference between the statutory rate and the estimated annual tax rate is due to uncertainty regarding the future utilization of losses for which no deferred tax asset has been recognized. The tax effect of specific items is calculated and shown separately.

9. Assets held for sale

Following the commitment of the Group's management in March 2011, a building located in the Americas region was recognized as held for sale at 30 September 2011. Following the commitment of the Group's management in June 2011, a property located in SEMEA region was recognized as held for sale at 30 September 2011.

10. Borrowings

The carrying amounts and fair value of borrowings are as follows:

	30 SEPTEMBER		31 DECEMBER	
€ millions	2011		2010	
	Carrying value	Fair value	Carrying value	Fair value
Non-current				
Bank borrowings	1,249	1,203	1,161	1,193
Loan notes	1,455	1,355	1,459	1,541
Finance leases	34	33	34	34
Total non-current borrowings	**2,738**	**2,591**	**2,654**	**2,768**
Current				
Bank overdrafts	60	60	55	55
Bank borrowings	21	21	20	20
Finance leases	5	5	7	7
Total current borrowings	**86**	**86**	**82**	**82**
Total borrowings	**2,824**	**2,677**	**2,736**	**2,850**
Unamortized debt issuance costs	78	79	81	81
Total principal debt	**2,902**	**2,756**	**2,817**	**2,931**

The Group is in compliance with its covenant on its existing borrowings and believes that it has sufficient working capital and undrawn financing facilities to service its operating activities and continued growth ambitions for the foreseeable future.

Non-current borrowings
The fair value of the non-current interest bearing debt has been determined using the market price at the balance sheet date. The senior bank debt's fair value approximates its carrying value as it is a floating rate facility. The average floating interest rate for the nine months ended 30 September 2011 was 5.8% (nine months ended 30 September 2010: 3.5%) and 4.5% (nine months ended 30 September 2010: 5.5%) for Euro and for US dollar denominated loans respectively.

Current borrowings
The carrying amounts of current borrowings approximate their fair value.

11. Commitments

Operating lease commitments
The Group leases various offices and warehouses under non-cancellable operating lease agreements. The lease terms are generally between one and six years and the majority of lease agreements are renewable at the end of the lease period at market rates.

The Group also leases various motor vehicles, office and computer equipment under operating lease agreements.

During the three months ended 30 September 2011, €74 million was recognized as an expense in the income statement in respect of operating lease rentals (three months ended 30 September 2010: €78 million). During the nine months ended 30 September 2011, €218 million was recognized as an expense in the income statement in respect of operating lease rentals (nine months ended 30 September 2010: €225 million).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	AS AT 30 SEPTEMBER	
€ millions	2011	2010
Less than 1 year	248	243
1-5 years	491	512
Thereafter	303	243
Total	**1,042**	**998**
Of which guaranteed by third party / customers	105	155

Of the future lease payments, €823 million (nine months ended 30 September 2010: €749 million) relates to commitments in relation to multi-user/shared facilities, while the remainder of €219 million (nine months ended 30 September 2010: €249 million) is dedicated to specific customers.

Guarantees

The Group has issued guarantees in the ordinary course of business, in connection with lease agreements, customs duty deferment and local credit lines amounting to €227 million (31 December 2010: €232 million) of which €177 million (31 December 2010: €177 million) are on the CEVA Group synthetic letter of credit facility. The obligations under the guarantees issued by banks and other financial institutions have been secured by CEVA and certain of its subsidiaries.

12. Contingencies

Litigation and legal proceedings

The Company is involved in several legal proceedings relating to the normal conduct of our business. While the outcome of these legal proceedings is uncertain, the Company believes that it has provided for all probable and estimable liabilities arising from the normal course of business, and we therefore do not expect any liability arising from any of these legal proceedings to have a material impact on our results of operations, liquidity, capital resources or financial position.

Surcharge antitrust investigation and litigation

As disclosed in prior annual reports and interim financial statements, several CEVA subsidiaries and certain current and former employees are subject to, and are cooperating with, ongoing investigations by the U.S. Department of Justice (“DOJ”), the European Commission (“EC”), and the government of Brazil, as well as an information request from the government of Switzerland, for possible price-fixing and other improper collusive activity with respect to certain accessorial and other charges, along with several other entities in the freight forwarding industry. Several other investigations (including in Canada, Japan and New Zealand) have been resolved.

At a hearing held on 4 November 2011, the United States District Court for the District of Columbia approved the previously disclosed plea agreement entered into on 30 September 2010 between the DOJ and EGL, Inc., our wholly-owned subsidiary, resolving the DOJ investigation. Pursuant to the plea agreement approved by the Court, EGL pled guilty to two violations of U.S. antitrust laws, will provide ongoing cooperation to the DOJ, will pay to the U.S. government a criminal fine of $4.5 million, and for a two-year probationary period must report to the DOJ and the Court annually on its global antitrust and competition law compliance program and periodically in the event of any investigation or major administrative proceeding by any U.S. federal department or agency or any major civil litigation in the U.S. CEVA has also reached a settlement agreement with the plaintiffs in a putative class action lawsuit against EGL, Inc. and EGL Eagle Global Logistics, LP, styled Precision Associates, Inc., et al. v. Panalpina World Transport (Holding) Ltd, et al., filed in the U.S. District Court for the Eastern District of New York. The agreement remains subject to final court approval (the court granted preliminary approval on 23 September 2011) and other contingencies, such as our rescission rights, and there can be no assurance that it will result in final resolution of the matter.

In February 2010, we received a statement of objections from the EC concerning our alleged participation in certain price-fixing cartels in the air freight forwarding business in violation of the European Union antitrust rules. We submitted a response, and the EC will make a decision in due course on whether the conduct addressed in the statement of objections is compatible with EU antitrust rules.

We previously took provisions against our accounts for the DOJ and EC investigations and the civil class action lawsuit. We cannot determine the timing or outcome of the governmental investigations that remain pending. These investigations could result in the imposition of administrative or civil sanctions, including fines, penalties, damages and debarment from federal contracting in the U.S. or other sanctions which could have a material adverse effect on our financial position, results of operations, operating cash flows and business activities.

We are also the subject of an investigation by the Italian competition authority related to possible price-fixing and other improper collusive activity with respect to international road freight forwarding to and from Italy. On 16 June 2011, we were notified that the Italian competition authority has found an infringement of Italian law and imposed fines and penalties against a number of freight-forwarders, including against a subsidiary of CEVA. We are appealing the ruling and have recorded a provision in connection with this investigation.

Independent contractor-related proceedings

The classification of drivers as independent contractors—which we believe to be a common practice in our industry in the U.S.—is challenged from time to time by federal and state governmental and regulatory authorities, including tax authorities, as well as by individual drivers who seek to have drivers reclassified as employees. We are currently party to two putative class action lawsuits in this regard. In Mohit Narayan, et al. v. EGL, Inc. and CEVA Freight, LLC, the plaintiffs are seeking a declaratory judgment, restitution, an unspecified amount of damages and other relief. The case is currently on remand from the Ninth Circuit Court of Appeals to the federal district court in the Northern District of California. In Franklin Browning v. CEVA Freight, LLC and EGL, Inc., the plaintiffs make similar claims under the Fair Labor Standards Act and New York Labor Law.

In addition, in October 2009, the California Employment Development Department ("EDD"), based on a worker classification audit, determined that such individuals should be reclassified as employees for purposes of state unemployment insurance contributions, employment training tax, disability insurance contributions and personal income tax. We have petitioned the EDD to review its assessment, with a potential for abating a majority of the assessed taxes.

We are also subject to a nationwide class action in James Foster and Stone Logistics, Inc. v. CEVA Freight, LLC, in which the plaintiffs allege that CEVA's independent contractor agreements with its owner-operators fail to comply with federal leasing regulations and that CEVA is in breach of the agreements. The plaintiff seeks damages, an injunction against continued violations, a declaration that CEVA is in violation of federal leasing requirements, and other relief. The court certified the class in December 2010.

Tax proceedings
We are involved in tax audits in various jurisdictions relating to the normal conduct of our business. While the outcome of these audits is uncertain, we believe that we have provided for all probable and estimable tax liabilities arising from the normal course of business, and we therefore do not expect any liability arising from these audits to have a material impact on our results of operations, liquidity, capital resources or financial position.

Other proceedings
From time to time, we are involved in a variety of legal proceedings and disputes arising in the ordinary course of business. For example, we have been, and currently are, subject to numerous labor and employment proceedings and disputes in both Italy and Brazil alleging various causes of action and raising other legal challenges to our labor and employment practices. Such proceedings include individual claims and lawsuits, disputes with unions, class action claims, and governmental or quasi-governmental investigations. While the outcome of these legal proceedings is uncertain and may not be capable of estimation, we believe that resolution of these matters and the incurrence of their related costs and expenses should not have a material adverse effect on our results of operations, liquidity, capital resources or financial position.

13. Related Party Transactions

Parent company
The immediate parent of CEVA Group Plc is CEVA Investments Limited, a company incorporated in the Cayman Islands. The following table sets forth the shareholders of CEVA Investments Limited as at 30 September 2011 and 31 December 2010:

	30 SEPTEMBER 2011		**31 DECEMBER 2010**	
	Number of shares beneficially owned	Ownership percentage	Number of shares beneficially owned	Ownership percentage
AIF VI Euro Holdings, L.P.	2,844,555	70.7%	2,844,555	71.1%
AlpInvest Partners Beheer 2006, L.P.	422,880	10.5%	422,880	10.6%
AAA Guarantor Co-Invest VI, L.P.	406,365	10.1%	406,365	10.2%
CEVA management investors	348,184	8.7%	329,428	8.2%
Total	**4,021,984**	**100.0%**	**4,003,228**	**100.0%**

Apollo is a related party by virtue of the fact that it manages AIF VI Euro Holdings, L.P., AlpInvest Partners Beheer 2006, L.P. and AAA Guarantor Co-Invest VI, L.P. These entities together own 91.3% (31 December 2010: 91.8%) of the equity in CEVA Investments Limited, which in turn owns 100% of the equity of CEVA Group Plc. One share is held by Louis Cayman Second Holdco Ltd, a wholly owned CEVA entity.

CEVA Group Plc has a service agreement with Apollo for the provision of management and support services. The annual fee is equal to the greater of €3 million per annum and 1.5% of the Group's EBITDA. Fees and expenses of €3.1 million (nine months ended 30 September 2010: €3.1 million) are included in the income statement for the nine months ended 30 September 2011.

Gareth Turner, Josh Harris, Stan Parker, Tom White, Marvin Schlanger and Michael Jupiter are Directors of CEVA Group Plc and also hold senior positions at Apollo or Apollo portfolio companies.

At 30 September 2011 CEVA Group Plc has a payable to CEVA Investments Limited, amounting to €12 million (31 December 2010: €13 million). This relates to intercompany cash pooling arrangements and is included within trade and other payables in the Consolidated Balance Sheet.

Financing
From time to time, depending upon market, pricing and other conditions, as well as our cash balances and liquidity, we or our affiliates, including Apollo, may seek to acquire notes or other indebtedness of CEVA through open market purchases, privately negotiated transactions, tender offers, redemption or otherwise, upon such terms and at such prices as we or our affiliates may determine (or as may be provided for in the indentures or other documents governing the notes or other indebtedness), for cash or other consideration. In addition, we have considered and will continue to evaluate potential transactions to reduce our outstanding debt (such as debt for debt

exchanges and other similar transactions), to extend our debt maturities or enter into alternative financing arrangements, as well as potential transactions pursuant to which third parties, Apollo or its affiliates may provide financing to CEVA or otherwise engage in transactions to provide liquidity to CEVA. There can be no assurance as to which, if any, of these alternatives or combinations thereof we or our affiliates may choose to pursue in the future as the pursuit of any alternative will depend upon numerous factors such as market conditions, our financial performance and the limitations applicable to such transactions under our financing documents.

At 30 September 2011, funds managed by Apollo held approximately US$77 million of 11.5% junior priority senior secured notes due 2018 (31 December 2010: US$77 million), €73 million of 8.5% senior notes due 2018 (31 December 2010: €73 million), €41 million of 8.5% senior notes due 2014 (31 December 2010: nil), US$629 million of the senior unsecured loan facility due 2018 (31 December 2010: US$629 million), €57 million of the 10% senior subordinated notes due 2018 (31 December 2010: €57 million) and €19 million of the 10% senior subordinated notes due 2016 (31 December 2010: nil).

At the date of approval of these interim consolidated financial statements, funds managed by Apollo held approximately US$77 million of 11.5% junior priority senior secured notes due 2018 (31 December 2010: US$77 million), €73 million of 8.5% senior notes due 2018 (31 December 2010: €73 million), €49 million of 8.5% senior notes due 2014 (31 December 2010: nil), US$629 million of the senior unsecured loan facility due 2018 (31 December 2010: US$629 million), €57 million of the 10% senior subordinated notes due 2018 (31 December 2010: €57 million) and €19 million of the 10% senior subordinated notes due 2016 (31 December 2010: nil).

Ultimate controlling party
The ultimate controlling party of CEVA Group Plc is Apollo.

Other related party transactions
There are 264 management and other personnel in CEVA Group companies who participate in the management equity plan. They also receive salaries and benefits as part of their employment compensation.

14. Seasonality of Operations

Our intra-year results are subject to seasonal trends, due to holiday seasons, consumer demand, weather and other intra-year variations. The Freight Management results are generally stronger in the final three quarters of the calendar year, which is partly offset by Contract Logistics results, which are often weighted to the first half of the year. The Company’s seasonality is also offset to some extent by its sector diversification, as well as the global nature of its business; however, overall the Company’s first quarter is generally the weakest.

15. Events After Balance Sheet Date

There have been no material events subsequent to the period end which require further disclosure.

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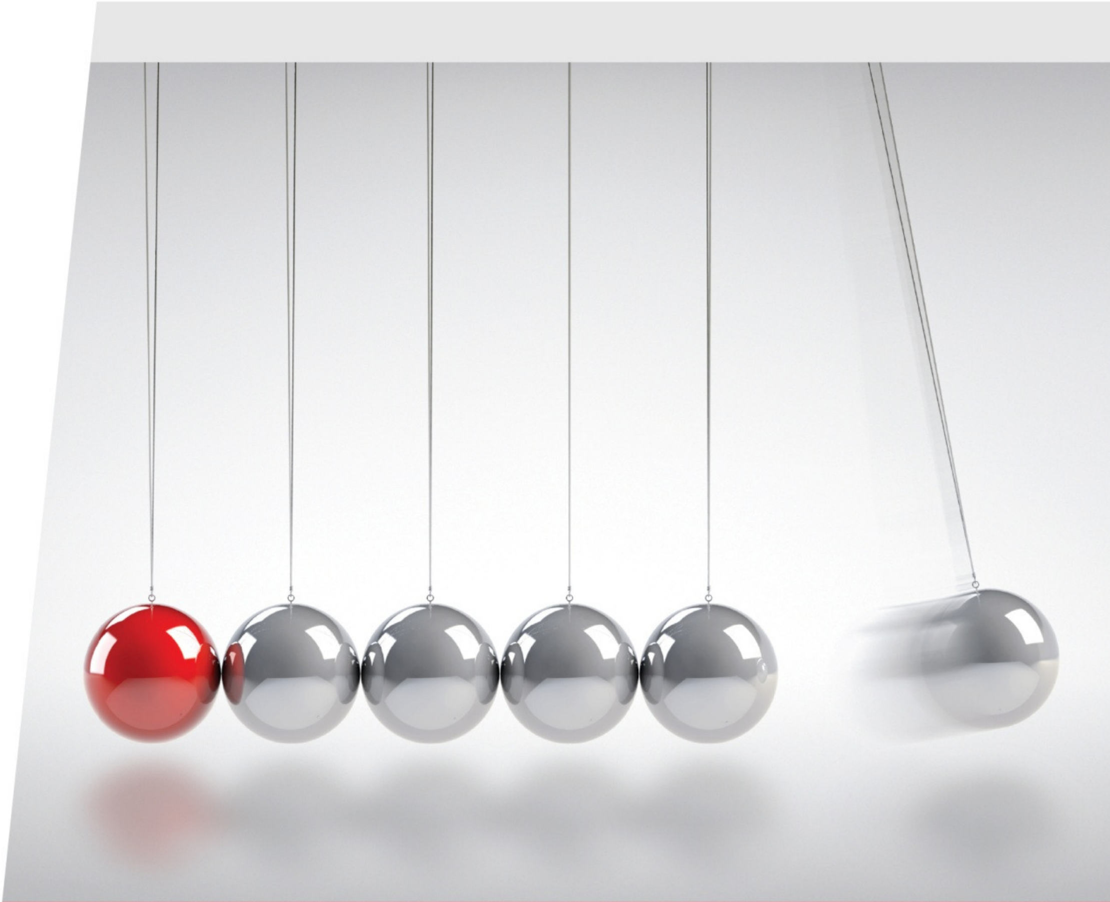

Making business flow