

Accelerating Momentum

Table of Contents

Table of Contents.....	2
Principal Activities	3
Key Financial Results	3
Operating and Financial Review.....	4
Consolidated Income Statement.....	6
Consolidated Statement of Comprehensive Income	8
Consolidated Balance Sheet	9
Consolidated Statement of Cash Flows.....	10
Consolidated Statement of Changes in Equity	11
Notes to the Consolidated Interim Financial Statements.....	12

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 & 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 six month periods ended 30 June 2011 and 2010:

€ millions	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2011	2010	2011	2010
Revenue	1,713	1,744	3,399	3,232
Revenue growth	(1.8)%	30.2%	5.2%	22.4%
EBITDA before specific items	81	65	152	117
EBITDA before specific items as a % of revenue	4.7%	3.7%	4.5%	3.6%
Loss before income taxes	(36)	(122)	(43)	(198)
Capital expenditure	17	34	36	52
Capital expenditure as a % of revenue	1.0%	1.9%	1.1%	1.6%
Cash generated from operations	17	3	68	29

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

€ millions	30 JUNE	31 DECEMBER
	2011	2010
Net working capital	(48)	(26)
Cash and cash equivalents	170	216
Net debt	2,530	2,601

Operating and Financial Review

Revenue

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

€ millions	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2011	2010	2011	2010
Freight Management	775	851	1,540	1,525
Contract Logistics	938	893	1,859	1,707
Total revenue	1,713	1,744	3,399	3,232

€ millions	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2011	2010	2011	2010
Northern Europe	403	381	809	753
Southern Europe, Middle East and Africa	333	319	646	603
Americas	509	534	1,008	980
Asia Pacific	468	510	936	896
Total revenue	1,713	1,744	3,399	3,232

Revenue decreased by 1.8% to €1,713 million for the three months ended 30 June 2011 from €1,744 million for the three months ended 30 June 2010.

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 comparison purposes, the Company also considers its results on a constant currency basis using 2010 exchange rates. On a constant currency basis, revenue would have been €1,811 million for the three months ended 30 June 2011 (three months ended 30 June 2010: €1,744 million), an increase of 3.8%. The difference compared to actual results for the quarter arises largely from the weakening of the US dollar.

In the second quarter, Freight Management revenue decreased by €76 million (8.9%) to €775 million. The decreased revenue was mostly the impact of lower exchange rate, particularly the US dollar, and partly due to softer airfreight volumes in the Americas and Asia Pacific regions.

In the second quarter, Contract Logistics revenue increased by €45 million (5.0%) to €938 million with growth experienced in all geographies.

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 six month periods ended 30 June 2011 and 2010 together with additional geographical information:

€ millions	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2011	2010	2011	2010
Freight Management	30	19	56	28
Contract Logistics	51	46	96	89
Total EBITDA before specific items	81	65	152	117

CEVA Group PLC
Quarter Two, 2011
Interim Financial Statements

€ millions	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2011	2010	2011	2010
Northern Europe	22	13	39	26
Southern Europe, Middle East and Africa	14	14	25	30
Americas	24	17	42	26
Asia Pacific	21	21	46	35
Total EBITDA before specific items	81	65	152	117

EBITDA before specific items increased by €16 million (24.6%) to €81 million for the three months ended 30 June 2011 compared to the three months ended 30 June 2010. On a constant currency basis, EBITDA before specific items would have been €88 million for the three months ended 30 June 2011 (three months ended 30 June 2010: €65 million), an increase of 35.4%.

Freight Management EBITDA before specific items increased by €11 million for the three months ended 30 June 2011 compared to the three months ended 30 June 2010 with better results across all geographies but most notably in the Americas and Asia Pacific region.

Contract Logistics EBITDA before specific items increased by €5 million to €51 million for the three months ended 30 June 2011 compared to the three months ended 30 June 2010. The increase was principally due to higher volumes from existing business and strict cost control resulting in improved margins.

Net finance expense

Net finance expense before specific items for the three months ended 30 June 2011 was €52 million (three months ended 30 June 2010: €128 million) which including €19 million foreign exchange gain (three months ended 30 June 2010: €(63) million). The reduction was principally due to foreign exchange gains arising largely from the weakening of the US dollar in the three months ended 30 June 2011 compared to the strengthening of the US dollar in the three months ended 30 June 2010.

Loss before income taxes

Loss before income taxes was €36 million for the three months ended 30 June 2011 (three months ended 30 June 2010: loss of €122 million). Loss before income taxes before specific items was €13 million for the three months ended 30 June 2011 (three months ended 30 June 2010: loss of €106 million).

Capital expenditure

Capital expenditure was €17 million for the three months ended 30 June 2011 (three months ended 30 June 2010: €34 million) and represents approximately 1% of revenue for the second 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 June 2011 (31 December 2010: €(26) million, 30 June 2010: €17 million). The decrease since 31 December 2010 and compared to 30 June 2010 is mainly due to the continued focus of management on net working capital and in particular a further reduction of overdue receivables.

Cash generated from operations

Cash generated from operations during the three months ended 30 June 2011 amounted to €17 million (three months ended 30 June 2010: €3 million). This improvement in cash generation is principally due to the better operating performance and an improved relative performance in net working capital. In the three months ended 30 June 2011 net working capital deteriorated by €25 million, whereas in the three months ended 30 June 2010 net working capital deteriorated by €49 million.

Cash and cash equivalents

As at 30 June 2011, CEVA had €170 million (31 December 2010: €216 million) of cash on its balance sheet.

In addition to this cash, the Group has access to €264 million (31 December 2010: €294 million) of central credit facilities, of which €167 million (31 December 2010: €115 million) was drawn. Total available liquidity at 30 June 2011 was therefore €267 million (31 December 2010: €395 million). The USD denominated credit facilities lowered liquidity due to the weakening of US dollar.

Net debt and net finance expense

Net debt, defined as total principal debt less cash and cash equivalents, has decreased by 3% to €2,530 million as at 30 June 2011 (31 December 2010: €2,601 million). The decrease was mainly due to the weakening of the US dollar.

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 JUNE					
		2011			2010		
		Before specific items	Specific items ¹	Total	Before specific items	Specific items ¹	Total
Revenue	6	1,713	-	1,713	1,744	-	1,744
Cost of materials		(61)	-	(61)	(72)	-	(72)
Work contracted out		(878)	-	(878)	(916)	-	(916)
Personnel expenses		(480)	(4)	(484)	(473)	(5)	(478)
Other operating expenses		(213)	(19)	(232)	(218)	(11)	(229)
Operating expenses excluding depreciation, amortization and impairment		(1,632)	(23)	(1,655)	(1,679)	(16)	(1,695)
EBITDA	6	81	(23)	58	65	(16)	49
Depreciation, amortization and impairment		(42)		(42)	(43)	-	(43)
Operating income		39	(23)	16	22	(16)	6
Finance income (including foreign exchange movements)		20		20	-	-	-
Finance expense (including foreign exchange movements)		(72)	-	(72)	(128)	-	(128)
Net finance expense (including foreign exchange movements)		(52)	-	(52)	(128)	-	(128)
Loss before income taxes		(13)	(23)	(36)	(106)	(16)	(122)
Income tax expense	8	(7)	2	(5)	(6)	2	(4)
Loss for the period from continuing operations		(20)	(21)	(41)	(112)	(14)	(126)
Attributable to:							
Non-controlling interests				1			-
Equity holders of the Company				(42)			(126)
Loss for the period				(41)			(126)

¹ Refer to note 7 for details on specific items

Consolidated Income Statement

€ millions, unaudited	Note	SIX MONTHS ENDED 30 JUNE					
		2011			2010		
		Before specific items	Specific items ¹	Total	Before specific items	Specific items ¹	Total
Revenue	6	3,399	-	3,399	3,232	-	3,232
Cost of materials		(127)	-	(127)	(141)	-	(141)
Work contracted out		(1,733)	-	(1,733)	(1,655)	-	(1,655)
Personnel expenses		(954)	(6)	(960)	(895)	(6)	(901)
Other operating expenses		(433)	(30)	(463)	(424)	(22)	(446)
Operating expenses excluding depreciation, amortization and impairment		(3,247)	(36)	(3,283)	(3,115)	(28)	(3,143)
EBITDA	6	152	(36)	116	117	(28)	89
Depreciation, amortization and impairment		(84)	-	(84)	(86)	-	(86)
Operating income		68	(36)	32	31	(28)	3
Finance income (including foreign exchange movements)		65	-	65	3	-	3
Finance expense (including foreign exchange movements)		(140)	-	(140)	(196)	(8)	(204)
Net finance expense (including foreign exchange movements)		(75)	-	(75)	(193)	(8)	(201)
Loss before income taxes		(7)	(36)	(43)	(162)	(36)	(198)
Income tax expense	8	(14)	4	(10)	(14)	6	(8)
Loss for the period from continuing operations		(21)	(32)	(53)	(176)	(30)	(206)
Attributable to:							
Non-controlling interests				2			1
Equity holders of the Company				(55)			(207)
Loss for the period				(53)			(206)

¹ Refer to note 7 for details on specific items

Consolidated Statement of Comprehensive Income

€ millions, unaudited	THREE MONTHS ENDED 30 JUNE					
	2011			2010		
	Before specific items	Specific items ¹	Total	Before specific items	Specific items ¹	Total
Loss for the period from continuing operations	(20)	(21)	(41)	(112)	(14)	(126)
Other comprehensive income:						
Currency translation adjustment	(5)	-	(5)	49	-	49
Total comprehensive loss for the period, net of income tax	(25)	(21)	(46)	(63)	(14)	(77)
Attributable to:						
Non-controlling interests			1			-
Equity holders of the Company			(47)			(77)
Total comprehensive loss for the period			(46)			(77)

¹ Refer to note 7 for details on specific items.

€ millions, unaudited	SIX MONTHS ENDED 30 JUNE					
	2011			2010		
	Before specific items	Specific items ¹	Total	Before specific items	Specific items ¹	Total
Loss for the period from continuing operations	(21)	(32)	(53)	(176)	(30)	(206)
Other comprehensive income:						
Currency translation adjustment	(26)	-	(26)	64	-	64
Total comprehensive loss for the period, net of income tax	(47)	(32)	(79)	(112)	(30)	(142)
Attributable to:						
Non-controlling interests			1			1
Equity holders of the Company			(80)			(143)
Total comprehensive loss for the period			(79)			(142)

¹ Refer to note 7 for details on specific items.

Consolidated Balance Sheet

€ millions, unaudited	Note	AS AT 30 JUNE 2011	AS AT 31 DECEMBER 2010
ASSETS			
Non-current assets			
Intangible assets		1,908	2,044
Property, plant and equipment		305	334
Deferred income tax assets		12	13
Prepayments		27	26
Other non-current assets		19	18
Total non-current assets		2,271	2,435
Current assets			
Inventory		26	35
Trade and other receivables		1,000	1,077
Prepayments		40	40
Accrued income		220	174
Derivative financial instruments		1	-
Cash and cash equivalents		170	216
Assets held for sale	9	6	2
Total current assets		1,463	1,544
TOTAL ASSETS		3,734	3,979
EQUITY			
Capital and reserves attributable to equity holders			
Share capital		1	1
Share premium		382	382
Other reserves		(114)	(89)
Accumulated deficit		(760)	(705)
Attributable to equity holders of the Company		(491)	(411)
Non-controlling interest		9	8
Total Group equity		(482)	(403)
LIABILITIES			
Non-current liabilities			
Borrowings	10	2,546	2,654
Deferred income tax liabilities		92	103
Retirement benefit obligations		83	92
Provisions		59	74
Other non-current liabilities		25	25
Total non-current liabilities		2,805	2,948
Current liabilities			
Borrowings	10	77	82
Provisions		71	75
Trade and other payables		1,260	1,273
Income tax payable		3	4
Total current liabilities		1,411	1,434
TOTAL EQUITY AND LIABILITIES		3,734	3,979

Consolidated Statement of Cash Flows

€ millions, unaudited	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2011	2010	2011	2010
Loss before income taxes	(36)	(122)	(43)	(198)
Adjustments for:				
Share based compensation	1	1	2	2
Depreciation, amortization and impairment	42	43	84	86
Finance income	(1)	-	(3)	(3)
Foreign exchange (gains) and losses	(19)	63	(62)	71
Finance expense	72	65	140	133
Changes in provisions:				
Retirement benefit obligations	-	(4)	(7)	(2)
Provisions	(7)	1	(13)	-
Changes in working capital:				
Inventory	11	(14)	6	(19)
Trade and other receivables	14	(100)	29	(46)
Prepayments and accrued income	(15)	(14)	(58)	(48)
Trade and other payables	(33)	79	18	64
Changes in non-current prepayments	(14)	(3)	(25)	(18)
Changes in non-current accrued liabilities	2	8	-	7
Cash generated from operations	17	3	68	29
Interest paid	(75)	(56)	(98)	(104)
Net income taxes paid	(10)	(9)	(17)	(10)
Net cash from operating activities	(68)	(62)	(47)	(85)
Acquisitions/divestment	-	-	-	4
Capital expenditure	(17)	(34)	(36)	(52)
Proceeds from sale of property, plant and equipment	-	21	1	43
Interest received	3	-	3	-
Net cash used in investing activities	(14)	(13)	(32)	(5)
Repayment of borrowings	(4)	-	(50)	(100)
Proceeds from non-current borrowings	46	23	83	14
Proceeds from current borrowings	9	5	13	6
Net cash from financing activities	51	28	46	(80)
Changes in cash and cash equivalents	(31)	(47)	(33)	(170)
Cash and cash equivalents at beginning of period	203	175	216	289
Foreign exchange impact on cash and cash equivalents	(2)	20	(13)	29
Cash and cash equivalents at end of period	170	148	170	148

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	-	-	64	-	64	-	64
Loss attributable to equity holders for the period	-	-	-	(207)	(207)	1	(206)
Balance at 30 June 2010	1	382	(94)	(655)	(366)	7	(359)
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	-	-	-	(55)	(55)	2	(53)
Balance at 30 June 2011	1	382	(114)	(760)	(491)	9	(482)

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 12 August 2011.

2. Basis of Preparation

This condensed consolidated interim financial information for the three and six months ended 30 June 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 December 31, 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		
	June closing	Three Month Average	Six Month Average	June closing	Three Month Average	Six Month Average
British pound	0.9032	0.8826	0.8679	0.8192	0.8525	0.8691
US dollar	1.4510	1.4396	1.4026	1.2257	1.2710	1.3248

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 information geographical

- 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 & 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 June 2011 are as follows:

€ millions	THREE MONTHS ENDED 30 JUNE		
	Freight Management	Contract Logistics	Total
			2011
Total segment revenue	775	942	1,717
Inter-segment revenue	-	(4)	(4)
Revenue from external customers	775	938	1,713
EBITDA before specific items	30	51	81
Specific items			(23)
EBITDA			58
Depreciation, amortization and impairment			(42)
Operating income			16

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

€ millions	THREE MONTHS ENDED 30 JUNE		
	Freight Management	Contract Logistics	Total
			2010
Total segment revenue	851	897	1,748
Inter-segment revenue	-	(4)	(4)
Revenue from external customers	851	893	1,744
EBITDA before specific items	19	46	65
Specific items			(16)
EBITDA			49
Depreciation, amortization and impairment			(43)
Operating income			6

The segment results for the six months ended 30 June 2011 are as follows:

€ millions	SIX MONTHS ENDED 30 JUNE		
	Freight Management	Contract Logistics	Total
			2011
Total segment revenue	1,541	1,867	3,408
Inter-segment revenue	(1)	(8)	(9)
Revenue from external customers	1,540	1,859	3,399
EBITDA before specific items	56	96	152
Specific items			(36)
EBITDA			116
Depreciation, amortization and impairment			(84)
Operating income			32

The segment results for the six months ended 30 June 2010 are as follows:

€ millions	SIX MONTHS ENDED 30 JUNE		
	Freight Management	Contract Logistics	Total
			2010
Total segment revenue	1,526	1,714	3,240
Inter-segment revenue	(1)	(7)	(8)
Revenue from external customers	1,525	1,707	3,232
EBITDA before specific items	28	89	117
Specific items			(28)
EBITDA			89
Depreciation, amortization and impairment			(86)
Operating income			3

Geographical information

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

€ millions	THREE MONTHS ENDED 30 JUNE				2011
	Northern Europe	Southern Europe, Middle East and Africa	Americas	Asia Pacific	Total
Total segment revenue	409	336	518	472	1,735
Inter-segment revenue	(6)	(3)	(9)	(4)	(22)
Revenue from external customers	403	333	509	468	1,713
EBITDA before specific items	22	14	24	21	81
Specific items					(23)
EBITDA					58
Depreciation, amortization and impairment					(42)
Operating income					16

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

€ millions	THREE MONTHS ENDED 30 JUNE				2010
	Northern Europe	Southern Europe, Middle East and Africa	Americas	Asia Pacific	Total
Total segment revenue	386	322	536	514	1,758
Inter-segment revenue	(5)	(3)	(2)	(4)	(14)
Revenue from external customers	381	319	534	510	1,744
EBITDA before specific items	13	14	17	21	65
Specific items					(16)
EBITDA					49
Depreciation, amortization and impairment					(43)
Operating income					6

The geographical results for the six months ended 30 June 2011 are as follows:

€ millions	SIX MONTHS ENDED 30 JUNE				2011
	Northern Europe	Southern Europe, Middle East and Africa	Americas	Asia Pacific	Total
Total segment revenue	820	652	1,027	943	3,442
Inter-segment revenue	(11)	(6)	(19)	(7)	(43)
Revenue from external customers	809	646	1,008	936	3,399
EBITDA before specific items	39	25	42	46	152
Specific items					(36)
EBITDA					116
Depreciation, amortization and impairment					(84)
Operating income					32

The geographical results for the six months ended 30 June 2010 are as follows:

€ millions	SIX MONTHS ENDED 30 JUNE				2010
	Northern Europe	Southern Europe, Middle East and Africa	Americas	Asia Pacific	
Total segment revenue	763	608	985	904	3,260
Inter-segment revenue	(10)	(5)	(5)	(8)	(28)
Revenue from external customers	753	603	980	896	3,232
EBITDA before specific items	26	30	26	35	117
Specific items					(28)
EBITDA					89
Depreciation, amortization and impairment					(86)
Operating income					3

7. Specific Items

€ millions	THREE MONTHS ENDED 30 JUNE		SIX MONTHS ENDED 30 JUNE	
	2011	2010	2011	2010
Personnel expenses	4	5	6	6
Other operating expenses	19	11	30	22
Finance expense	-	-	-	8
Total before income tax expense	23	16	36	36

Personnel expenses

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

Other operating expenses

In the three months ended 30 June 2011, other operating expenses mainly comprise expenses related to the on-going industry wide anti-trust investigation, restructuring costs, investments in outsourcing finance resources and redesigning freight management processes.

In the three months ended 30 June 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.

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 six months ended 30 June 2011 is (23.3)% (six months ended 30 June 2010: (4.0)%). 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 June 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 June 2011.

10. Borrowings

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

€ millions	30 JUNE		31 DECEMBER	
	2011	2010	2011	2010
	Carrying value	Fair value	Carrying value	Fair value
Non-current				
Bank borrowings	1,133	1,086	1,161	1,193
Loan notes	1,380	1,451	1,459	1,541
Finance leases	33	33	34	34
Total non-current borrowings	2,546	2,570	2,654	2,768
Current				
Bank overdrafts	62	62	55	55
Bank borrowings	10	10	20	20
Finance leases	5	5	7	7
Total current borrowings	77	77	82	82
Total borrowings	2,623	2,647	2,736	2,850
Unamortized debt issuance costs	77	77	81	81
Total principal debt	2,700	2,724	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 period was 5.5% (six months ended 30 June 2010: 3.5%) and 4.7% (six months ended 30 June 2010: 5.0%) 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 rate.

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

During the three months ended 30 June 2011, €72 million was recognized as an expense in the income statement in respect of operating lease rentals (three months ended 30 June 2010: €78 million). During the six months ended 30 June 2011, €144 million was recognized as an expense in the income statement in respect of operating lease rentals (six months ended 30 June 2010: €147 million).

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

€ millions	SIX MONTHS ENDED 30 JUNE	
	2011	2010
Less than 1 year	242	253
1-5 years	483	519
Thereafter	296	219
Total	1,021	991
Of which guaranteed by third party / customers	99	177

Of the future lease payments, €801 million (six months ended 30 June 2010: €727 million) relates to commitments in relation to multi-user / shared facilities, while the remainder of €220 million (six months ended 30 June 2010: €264 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 €217 million (31 December 2010: €232 million) of which €171 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.

The DOJ and EGL, Inc., our wholly-owned subsidiary, have entered into a plea agreement to resolve the DOJ investigation. Under the terms of the agreement, EGL will plead guilty to two violations of U.S. antitrust laws, provide ongoing cooperation, and pay the U.S. government a criminal fine of \$4.5 million. The agreement remains subject to court approval. 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 court approval 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 June 16, 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 have recorded a provision in connection with this investigation and are considering options to address the ruling.

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. The plaintiff

seeks damages, which under the federal truth-in-leasing laws would be calculated on a per violation basis, 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 its 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 June 2011 and 31 December 2010:

	30 JUNE		31 DECEMBER	
	2011		2010	
	Number of shares beneficially owned	Ownership percentage	Number of shares beneficially owned	Ownership percentage
AIF VI Euro Holdings, L.P.	2,844,555	70.8%	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	343,519	8.6%	329,428	8.2%
Total	4,017,319	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 91.4% (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 €2.6 million (six months ended 30 June 2010: €1.7 million) is included in the income statement for the six months ended 30 June 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 June 2011 CEVA Group Plc has a payable to CEVA Investments Limited, amounting to €14 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 June 2011, funds managed by Apollo held approximately US\$77 million of 11.5% junior priority senior secured notes (31 December 2010: US\$77 million), €73 million of 8.5% senior notes (31 December 2010: €73 million), US\$629 million of the senior unsecured loan facility (31 December 2010: US\$629 million) and €57 million of the 10% senior subordinated notes (31 December 2010: €57 million).

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 business is impacted by the seasonal slowdown or upturn of industries in which certain of our customers operate. The automotive sector, our largest sector, typically encounters slowdowns in both the third and fourth quarters of each year when many of the automotive manufacturing plants close for vacation. In response, we proactively scale down and may even temporarily close certain operations in order to maximize cost efficiencies. We also experience seasonal trends in our fast moving consumer goods and technology sectors where demand increases in the fourth quarter as consumer goods such as toys, clothes and electronics are delivered to retail locations by early December.

Our global footprint and industry spread decreases the overall seasonality of our business.

15. Events After Balance Sheet Date

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

CEVA Group Plc

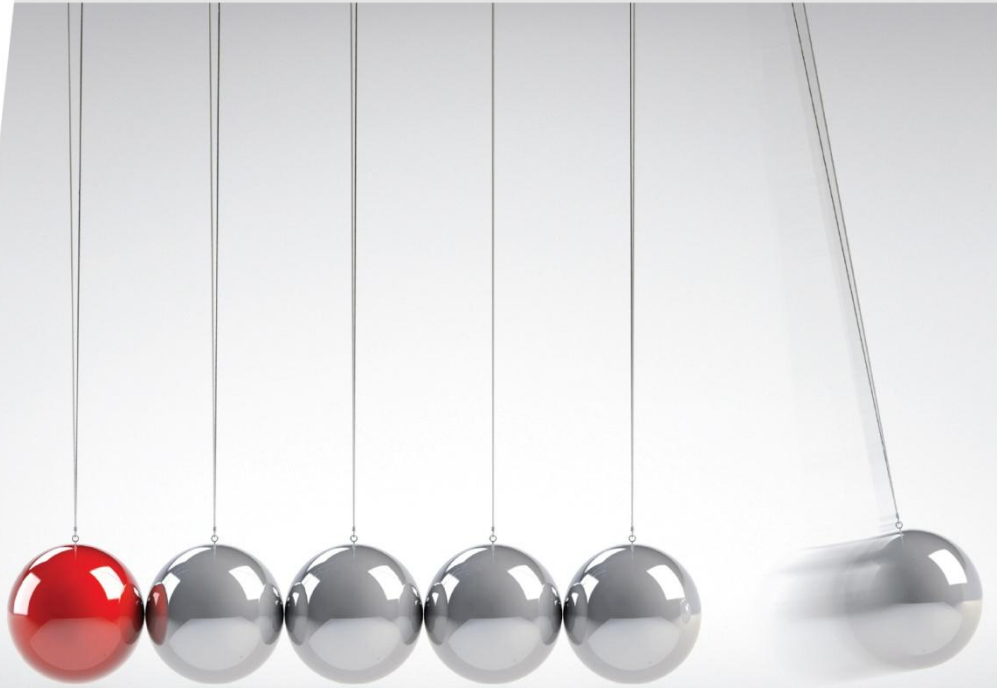
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Making business flow