



April 30, 2014

Global Ship Lease Reports Results for the First Quarter of 2014

LONDON, April 30, 2014 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months ended March 31, 2014.

First Quarter and Year To Date Highlights

- Reported revenue of \$34.0 million for the first quarter 2014
- Reported net income for the first quarter 2014 of \$1.8 million, including a \$1.9 million non-cash mark-to-market gain on interest rate derivatives and non-cash \$3.0 million accelerated write off of deferred financing costs
- Generated \$20.9 million of Adjusted EBITDA⁽¹⁾ for the first quarter 2014
- Excluding the non-cash mark-to-market and deferred financing costs write off items, normalized net income⁽¹⁾ was \$2.9 million for the first quarter 2014
- Placed \$420.0 million 10.0% First Priority Secured Notes which mature April 2019 allowing full repayment and termination of the credit facility and associated interest rate derivatives
- Agreed to a new \$40 million revolving credit facility expiring October 2018
- Agreed to extend by three years to new expiry dates in December 2019, charters on four 2,200 TEU geared vessels at an amended rate of \$15,300 with effect from February 1, 2014

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "During the first quarter of 2014, our strong contract coverage once again enabled us to achieve a fleet utilization in excess of 99%, resulting in Adjusted EBITDA of \$20.9 million. Moreover, we reached an agreement during the quarter with CMA CGM to extend the contracts on four vessels by three years, increasing our contracted revenue stream by \$54 million to \$932 million as of March 31, 2014."

Mr. Webber continued, "Most significantly, however, we strengthened our capital structure during the quarter by completing a transformative offering of \$420 million of first priority secured notes, positioning the Company for growth and pushing back the maturity of our debt from 2016 to 2019. This transaction eliminated our previous, restrictive credit facility, giving us the ability to pursue accretive fleet growth in a time of cyclically low asset values. In addition, by establishing a \$40 million revolving credit facility in conjunction with the notes offering, as well as eliminating the amortization of debt by cash-sweep, we further strengthened our ability to make acquisitions. Fleet growth, alongside our commitment to expand our contracted revenue stream with established counterparties, will allow us to diversify our charter portfolio, increase our cash flow, and create value for our shareholders."

SELECTED FINANCIAL DATA - UNAUDITED

(thousands of U.S. dollars)

| | Three months ended <u>March 31,</u> <u>2014</u> | Three months ended <u>March 31,</u> <u>2013</u> |
|---------------------------|--|---|
| Revenue | 34,039 | 35,209 |
| Operating Income | 10,852 | 12,106 |
| Net Income | 1,843 | 7,234 |
| Adjusted EBITDA (1) | 20,885 | 22,176 |
| Normalised Net Income (1) | 2,885 | 1,781 |

(1) Adjusted EBITDA and Normalized net income are non-US Generally Accepted Accounting Principles (US GAAP) measures, as explained further in this press release, and are considered by Global Ship Lease to be useful measures of its

performance. Reconciliations of such non-GAAP measures to the interim unaudited financial information are provided in this Earnings Release.

Revenue and Utilization

The 17 vessel fleet generated revenue from long-term fixed rate time charters of \$34.0 million in the three months ended March 31, 2014, down on revenue of \$35.2 million for the comparative period in 2013. The decrease in revenue is mainly due to reduced revenue from two charters which were renewed in May 2013 at \$7,000 per day compared to \$9,962 per day previously, from a temporary reduced daily rate of \$10,000 for Julie Delmas pending repairs to one crane and from the amended rate of \$15,300 per day with effect from February 1, 2014, compared to \$18,465 per day previously, on four 2,200 TEU geared vessels against a three year extension of the charters, offset by lower offhire at five days during the three months ended March 31, 2014 compared to 26 days, including two planned drydockings, in the three months ended March 31, 2013. There were 1,530 ownership days in the quarter. The five days offhire in the three months ended March 31, 2014 gives a utilization of 99.7%. In the comparable period of 2013, the 26 days offhire, gave a utilization of 98.3%.

The table below shows fleet utilization for the three months ended March 31, 2014 and 2013 and for the years ended December 31, 2013, 2012, 2011 and 2010.

| <u>Days</u> | <u>Three months ended</u> | | <u>Year ended</u> | | | |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | <u>Mar 31,</u> <u>2014</u> | <u>Mar 31,</u> <u>2013</u> | <u>Dec 31,</u> <u>2013</u> | <u>Dec 31,</u> <u>2012</u> | <u>Dec 31,</u> <u>2011</u> | <u>Dec 31,</u> <u>2010</u> |
| Ownership days | 1,530 | 1,530 | 6,205 | 6,225 | 6,205 | 6,205 |
| Planned offhire - scheduled drydock | 0 | (21) | (21) | (82) | (95) | 0 |
| Unplanned offhire | (5) | (5) | (7) | (16) | (11) | (3) |
| Operating days | 1,525 | 1,504 | 6,177 | 6,124 | 6,099 | 6,202 |
| Utilization | 99.7% | 98.3% | 99.5% | 98.4% | 98.3% | 99.9% |

Two regulatory drydockings are scheduled for 2014 and none in 2015.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were \$11.5 million for the three months ended March 31, 2014, unchanged from the three months ended March 31, 2013. The average cost per ownership day was \$7,538, down \$8 or 0.1% on \$7,546 for the three months ended March 31, 2013 with increases in crew costs being offset by lower cost of lubricating oil from lower consumption.

Vessel operating expenses continue to be at less than the capped amounts included in Global Ship Lease's ship management agreements.

Depreciation

Depreciation for the three months ended March 31, 2014 was \$10.0 million compared to \$10.1 million in the three months ended March 31, 2013. There have been no changes to the fleet.

General and Administrative Costs

General and administrative costs incurred were \$1.7 million in the three months ended March 31, 2014 compared to \$1.6 million in the three months ended March 31, 2013.

Other operating income

Other operating income in the three months ended March 31, 2014 was \$107,000 compared to \$69,000 for the three months ended March 31, 2013.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was \$20.9 million for the three months ended March 31, 2014 down from \$22.2 million for the three months ended March 31, 2013.

Interest Expense

Interest expense, including the amortization of deferred financing costs and the amortization of the original issue discount on the \$420.0 million aggregate principal amount of 10.0% First Priority Secured Notes due 2019 (the "Notes") but excluding the effect of interest rate derivatives which do not qualify for hedge accounting, for the three months ended March 31, 2014 was \$8.1 million. Interest on the \$366.4 million that was outstanding under the credit facility until the facility was repaid on March 19, 2014 was \$3.1 million based on US \$ LIBOR plus a margin on 3.75%. Interest on the Notes from March 19, 2014 at the fixed rate of 10.0% was \$1.4 million. Amortization of deferred financing charges, including accelerated write off of \$3.0 million being the balance of such charges associated with the credit facility, was \$3.4 million. Interest on the \$45.0 million of preferred shares that were outstanding throughout the three months ended March 31, 2014 at US \$ LIBOR plus a margin of 2.0% together with and from March 19, 2014, the commitment fee on the Company's new and undrawn \$40.0 million revolving credit facility and the amortization of the original issue discount on the Notes totaled \$0.3 million.

Interest expense for the three months ended March 31, 2013 was \$4.9 million on an average amount outstanding on the credit facility during that period of \$425.7 million and \$45.0 million of preferred shares. Amortization of deferred financing costs included therein was \$0.3 million.

Interest income for the three months ended March 31, 2014 and 2013 was not material.

Change in Fair Value of Financial Instruments

The Company hedged its interest rate exposure on floating rate debt under its credit facility by entering into derivatives that swap the floating rate debt for fixed rate debt to provide long-term stability and predictability to cash flows. As these hedges did not qualify for hedge accounting under US GAAP, the outstanding hedges were marked to market at each period end with any change in the fair value being booked to the income and expenditure account. The Company's derivative hedging instruments, which were terminated on March 19, 2014, gave a realized loss of \$2.8 million in the three months ended March 31, 2014 for settlements of swaps in the period, as US \$ LIBOR rates were lower than the average fixed rate embedded in the hedging instruments. Further, there was a \$1.9 million unrealized gain for revaluation of the balance sheet position as at March 19, 2014 given prevailing US \$ LIBOR and movements in the forward curve for interest rates. This compares to a realized loss of \$5.4 million in the three months ended March 31, 2013 and an unrealized gain of \$5.5 million.

The \$277.0 million nominal amount of interest rate derivatives outstanding were terminated on March 19, 2014 for a final payment of \$19.3 million.

Unrealized mark-to-market adjustments have no impact on operating performance or cash generation in the period reported.

Taxation

Taxation for the three months ended March 31, 2014 and 2013 was not material.

Net Income

Net income for the three months ended March 31, 2014 was \$1.8 million including the \$1.9 million non-cash mark-to-market gain on interest rate derivatives and the non-cash \$3.0 million accelerated write off of deferred financing costs. For the three months ended March 31, 2013 net income was \$7.2 million, including \$5.5 million non-cash interest rate derivative mark-to-market gain. Normalized net income was \$2.9 million for the three months ended March 31, 2014 and \$1.8 million for the three months ended March 31, 2013.

Dividend

The board of directors is committed to paying a meaningful dividend once this can be sustained and provided that it is in the best interests of shareholders at the time. In the meantime, Global Ship Lease is not paying a dividend on common shares.

Fleet

The following table provides information about the on-the-water fleet of 17 vessels chartered to CMA CGM.

| Vessel | Capacity | Year | Purchase | Remaining Charter Term ⁽²⁾ | Earliest Charter Expiry | Daily Charter Rate |
|---------------|-----------------|-------------|-----------------|--|--|-----------------------------------|
|---------------|-----------------|-------------|-----------------|--|--|-----------------------------------|

| Name | in TEUs ⁽¹⁾ | Built | by GSL | (years) | Date | \$ |
|---------------------------------|------------------------|-------|----------|---------|---------------|--------|
| Ville d'Orion ⁽³⁾ | 4,113 | 1997 | Dec 2007 | 0.1 | April 1, 2014 | 7,000 |
| Ville d'Aquarius ⁽³⁾ | 4,113 | 1996 | Dec 2007 | 0.1 | April 1, 2014 | 7,000 |
| CMA CGM Matisse ⁽⁴⁾ | 2,262 | 1999 | Dec 2007 | 5.7 | Sept 21, 2019 | 15,300 |
| CMA CGM Utrillo ⁽⁴⁾ | 2,262 | 1999 | Dec 2007 | 5.7 | Sept 11, 2019 | 15,300 |
| Delmas Keta | 2,207 | 2003 | Dec 2007 | 3.7 | Sept 20, 2017 | 18,465 |
| Julie Delmas | 2,207 | 2002 | Dec 2007 | 3.7 | Sept 11, 2017 | 18,465 |
| Kumasi | 2,207 | 2002 | Dec 2007 | 3.7 | Sept 21, 2017 | 18,465 |
| Marie Delmas | 2,207 | 2002 | Dec 2007 | 3.7 | Sept 14, 2017 | 18,465 |
| CMA CGM La Tour ⁽⁴⁾ | 2,272 | 2001 | Dec 2007 | 5.7 | Sept 20, 2019 | 15,300 |
| CMA CGM Manet ⁽⁴⁾ | 2,272 | 2001 | Dec 2007 | 5.7 | Sept 7, 2019 | 15,300 |
| CMA CGM Alcazar | 5,089 | 2007 | Jan 2008 | 6.7 | Oct 18, 2020 | 33,750 |
| CMA CGM Château d'If | 5,089 | 2007 | Jan 2008 | 6.7 | Oct 11, 2020 | 33,750 |
| CMA CGM Thalassa | 11,040 | 2008 | Dec 2008 | 11.7 | Oct 1, 2025 | 47,200 |
| CMA CGM Jamaica | 4,298 | 2006 | Dec 2008 | 8.7 | Sept 17, 2022 | 25,350 |
| CMA CGM Sambhar | 4,045 | 2006 | Dec 2008 | 8.7 | Sept 16, 2022 | 25,350 |
| CMA CGM America | 4,045 | 2006 | Dec 2008 | 8.7 | Sept 19, 2022 | 25,350 |
| CMA CGM Berlioz | 6,621 | 2012 | Aug 2009 | 7.5 | May 28, 2021 | 34,000 |

(1) Twenty-foot Equivalent Units.

(2) As at March 31, 2014. Plus or minus 90 days at charterers' option, except Ville d'Orion and Ville d'Aquarius which are plus or minus 30 days.

(3) Ville d'Aquarius was re-delivered on April 26, 2014. Notice of re-delivery has been received for Ville d'Orion and re-delivery is currently expected towards the end of May.

(4) Including the amendments to extend the charters by three years to new expiry dates in December 2019 and at an amended rate of \$15,300 per day with effect from February 1, 2014.

Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company's results for the three months ended March 31, 2014 today, Wednesday, April 30, 2014 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: Dial-in: (877) 445-2556 or (908) 982-4670; Passcode: 31952129

Please dial in at least 10 minutes prior to 10:30 a.m. Eastern Time to ensure a prompt start to the call.

(2) Live Internet webcast and slide presentation: <http://www.globalshiplease.com>

If you are unable to participate at this time, a replay of the call will be available through Tuesday, May 13, 2014 at (855) 859-2056 or (404) 537-3406. Enter the code 31952129 to access the audio replay. The webcast will also be archived on the Company's website: <http://www.globalshiplease.com>.

Annual Report on Form 20-F

Global Ship Lease, Inc has filed its Annual Report for 2013 with the Securities and Exchange Commission. A copy of the report can be found under the Investor Relations section (Annual Reports) of the Company's website at <http://www.globalshiplease.com>. Shareholders may request a hard copy of the audited financial statements free of charge by contacting the Company at info@globalshiplease.com or by writing to Global Ship Lease, Inc, care of Global Ship Lease Services Limited, Portland House, Stag Place, London SW1E 5RS or by telephoning +44 (0) 207 869 8806.

About Global Ship Lease

Global Ship Lease is a containership charter owner. Incorporated in the Marshall Islands, Global Ship Lease commenced operations in December 2007 with a business of owning and chartering out containerships under long-term, fixed rate charters to top tier container liner companies.

Global Ship Lease owns 17 vessels with a total capacity of 66,349 TEU with an average age, weighted by TEU capacity, at March 31, 2014 of 10.1 years. 16 vessels are fixed on charters to CMA CGM. The average remaining term of the charters is 6.4 years or 7.6 years on a weighted basis, excluding Ville d'Aquarius, and Ville d'Orion.

Reconciliation of Non-U.S. GAAP Financial Measures

A. ADJUSTED EBITDA

Adjusted EBITDA represents net income before interest income and expense including amortization of deferred finance costs, realized and unrealized gain (loss) on derivatives, income taxes, depreciation and amortization. Adjusted EBITDA is a non-US GAAP quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations.

We believe that the presentation of Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Adjusted EBITDA is not defined in US GAAP and should not be considered to be an alternate to Net income or any other financial metric required by such accounting principles.

ADJUSTED EBITDA - UNAUDITED

(thousands of U.S. dollars)

| | Three months ended Mar 31, <u>2014</u> | Three months ended Mar 31, <u>2013</u> |
|--|--|--|
| Net income | 1,843 | 7,234 |
| Adjust: Depreciation | 10,033 | 10,070 |
| Interest income | (10) | (11) |
| Interest expense | 8,142 | 4,900 |
| Realized loss on interest rate derivatives | 2,801 | 5,414 |
| Unrealized gain on interest rate derivatives | (1,944) | (5,453) |
| Income tax | <u>20</u> | <u>22</u> |
| Adjusted EBITDA | <u><u>20,885</u></u> | <u><u>22,176</u></u> |

B. Normalized net income

Normalized net income represents net income adjusted for the unrealized gain on derivatives and accelerated amortization of deferred financing charges. Normalized net income is a non-GAAP quantitative measure which we believe will assist investors and analysts who often adjust reported net income for non-operating items such as change in fair value of derivatives to eliminate the effect of non cash non-operating items that do not affect operating performance or cash generated. Normalized net income is not defined in US GAAP and should not be considered to be an alternate to net income or any other financial metric required by such accounting principles.

NORMALIZED NET INCOME - UNAUDITED

(thousands of U.S. dollars)

| | Three months ended Mar 31, <u>2014</u> | Three months ended Mar 31, <u>2013</u> |
|--|--|--|
| Net income | 1,843 | 7,234 |
| Adjust: Unrealized gain on derivatives | (1,944) | (5,453) |
| Accelerated amortization of deferred | | |

| | | |
|-----------------------|--------------|--------------|
| financing charges | <u>2,986</u> | <u>--</u> |
| Normalized net income | <u>2,885</u> | <u>1,781</u> |

Safe Harbor Statement

This communication contains forward-looking statements. Forward-looking statements provide Global Ship Lease's current expectations or forecasts of future events. Forward-looking statements include statements about Global Ship Lease's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "will" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements are based on assumptions that may be incorrect, and Global Ship Lease cannot assure you that these projections included in these forward-looking statements will come to pass. Actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors.

The risks and uncertainties include, but are not limited to:

- future operating or financial results;
- expectations regarding the strength of future growth of the container shipping industry, including the rates of annual demand and supply growth;
- the overall health and condition of the U.S. and global financial markets;
- the financial condition of CMA CGM, Global Ship Lease's sole charterer and current sole source of operating revenue, and its ability to pay charterhire in accordance with the charters;
- Global Ship Lease's financial condition and liquidity, including its ability to obtain additional financing to fund capital expenditures, vessel acquisitions and other general corporate purposes;
- Global Ship Lease's ability to meet its financial covenants and repay its borrowings;
- Global Ship Lease's expectations relating to dividend payments and forecasts of its ability to make such payments including the availability of cash and the impact of constraints under its first priority secured notes;
- future acquisitions, business strategy and expected capital spending;
- operating expenses, availability of key employees and crew, number of offhire days, drydocking and survey requirements, general and administrative costs and insurance costs;
- general market conditions and shipping industry trends, including charter rates and factors affecting supply and demand;
- assumptions regarding interest rates and inflation;
- changes in the rate of growth of global and various regional economies;
- risks incidental to vessel operation, including piracy, discharge of pollutants and vessel accidents and damage including total or constructive total loss;
- estimated future capital expenditures needed to preserve Global Ship Lease's capital base;
- Global Ship Lease's expectations about the availability of ships to purchase, the time that it may take to construct new ships, or the useful lives of its ships;
- Global Ship Lease's continued ability to enter into or renew charters including the re-chartering of vessels on the expiry of existing charters, or to secure profitable employment for its vessels in the spot market;
- the continued performance of existing charters;
- Global Ship Lease's ability to capitalize on its management's and board of directors' relationships and reputations in the containership industry to its advantage;
- changes in governmental and classification societies' rules and regulations or actions taken by regulatory authorities;
- expectations about the availability of insurance on commercially reasonable terms;
- unanticipated changes in laws and regulations including environmental and taxation; and
- potential liability from future litigation.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Global Ship Lease's actual results could differ materially from those anticipated in forward-looking statements for many reasons specifically as described in Global Ship Lease's filings with the SEC. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this communication. Global Ship Lease undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this communication or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks Global Ship Lease describes in the reports it will file from time to time with the SEC after the date of this communication.

Global Ship Lease, Inc.

(Expressed in thousands of U.S. dollars except per share data)

Three months ended March 31,

| | 2014 | 2013 |
|--|------------------------|------------------------|
| Operating Revenues | | |
| Time charter revenue | <u>\$ 34,039</u> | <u>\$ 35,209</u> |
| Operating Expenses | | |
| Vessel operating expenses | 11,533 | 11,545 |
| Depreciation | 10,033 | 10,070 |
| General and administrative | 1,728 | 1,557 |
| Other operating income | <u>(107)</u> | <u>(69)</u> |
| Total operating expenses | <u>23,187</u> | <u>23,103</u> |
| Operating Income | 10,852 | 12,106 |
| Non Operating Income (Expense) | | |
| Interest income | 10 | 11 |
| Interest expense | (8,142) | (4,900) |
| Realized loss on derivative instruments | (2,801) | (5,414) |
| Unrealized gain on derivative instruments | <u>1,944</u> | <u>5,453</u> |
| Income before Income Taxes | 1,863 | 7,256 |
| Income taxes | <u>(20)</u> | <u>(22)</u> |
| Net Income | <u><u>\$ 1,843</u></u> | <u><u>\$ 7,234</u></u> |
| Earnings per Share | | |
| Weighted average number of Class A common shares outstanding | | |
| Basic (including RSUs without service conditions) | 47,691,178 | 47,588,578 |
| Diluted | 47,803,074 | 47,622,651 |
| Net income per Class A common share | | |
| Basic (including RSUs without service conditions) | \$ 0.04 | \$ 0.15 |
| Diluted | \$ 0.04 | \$ 0.15 |
| Weighted average number of Class B common shares outstanding | | |
| Basic and diluted | 7,405,956 | 7,405,956 |
| Net income per Class B common share | | |
| Basic and diluted | \$ nil | \$ nil |

**March 31, December 31,
2014 2013**

Assets

| | | |
|---|--------------|--------------|
| Cash and cash equivalents | \$ 55,160 | \$ 24,536 |
| Restricted cash | 3 | 3 |
| Accounts receivable | 5,833 | 7,006 |
| Prepaid expenses | 1,837 | 5,337 |
| Other receivables | 208 | 115 |
| Current portion of deferred financing costs | <u>3,068</u> | <u>1,391</u> |

| | | |
|----------------------|---------------|---------------|
| Total current assets | <u>66,109</u> | <u>38,388</u> |
|----------------------|---------------|---------------|

| | | |
|--------------------------|---------------|--------------|
| Vessels in operation | 807,852 | 817,875 |
| Other fixed assets | 11 | 7 |
| Intangible assets | 88 | 95 |
| Deferred financing costs | <u>12,159</u> | <u>1,882</u> |

| | | |
|--------------------------|----------------|----------------|
| Total non-current assets | <u>820,110</u> | <u>819,859</u> |
|--------------------------|----------------|----------------|

| | | |
|---------------------|--------------------------|--------------------------|
| Total Assets | <u>\$ 886,219</u> | <u>\$ 858,247</u> |
|---------------------|--------------------------|--------------------------|

Liabilities and Stockholders' Equity

Liabilities

| | | |
|---|-----------|--------------|
| Current portion of long term debt | \$ -- | \$ 50,110 |
| Intangible liability - charter agreements | 2,119 | 2,119 |
| Accounts payable | 2,122 | 1,289 |
| Accrued expenses | 6,591 | 6,887 |
| Derivative instruments | <u>--</u> | <u>8,776</u> |

| | | |
|---------------------------|---------------|---------------|
| Total current liabilities | <u>10,832</u> | <u>69,181</u> |
|---------------------------|---------------|---------------|

| | | |
|---|-----------|---------------|
| Long term debt | 413,731 | 316,256 |
| Preferred shares | 44,976 | 44,976 |
| Intangible liability - charter agreements | 15,283 | 15,812 |
| Deferred tax liability | 38 | 43 |
| Derivative instruments | <u>--</u> | <u>12,513</u> |

| | | |
|-----------------------------|----------------|----------------|
| Total long term liabilities | <u>474,028</u> | <u>389,600</u> |
|-----------------------------|----------------|----------------|

| | | |
|--------------------------|--------------------------|--------------------------|
| Total Liabilities | <u>\$ 484,860</u> | <u>\$ 458,781</u> |
|--------------------------|--------------------------|--------------------------|

| | | |
|-------------------------------|----|----|
| Commitments and contingencies | -- | -- |
|-------------------------------|----|----|

Stockholders' Equity

Class A Common stock - authorized 214,000,000 shares with a \$0.01 par value;

| | | |
|--|-------------------|-------------------|
| 47,541,484 shares issued and outstanding (2013 - 47,513,934) | \$ 475 | \$ 475 |
| Class B Common stock - authorized 20,000,000 shares with a \$0.01 par value; 7,405,956 shares issued and outstanding (2013 - 7,405,956) | 74 | 74 |
| Additional paid in capital | 352,726 | 352,676 |
| Retained earnings | <u>48,084</u> | <u>46,241</u> |
| Total Stockholders' Equity | <u>401,359</u> | <u>399,466</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 886,219</u> | <u>\$ 858,247</u> |

Global Ship Lease, Inc.
Interim Unaudited Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)

| | Three months ended March 31, | |
|--|-------------------------------------|-----------------|
| | 2014 | 2013 |
| Cash Flows from Operating Activities | | |
| Net income | \$ 1,843 | \$ 7,234 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | | |
| Depreciation | 10,033 | 10,070 |
| Amortization of deferred financing costs | 3,350 | 333 |
| Amortization of original issue discount | 31 | -- |
| Change in fair value of derivative instruments | (1,944) | (5,453) |
| Amortization of intangible liability | (529) | (529) |
| Settlements of derivative instruments which do not qualify for hedge accounting | 2,801 | 5,414 |
| Share based compensation | 50 | 83 |
| Decrease in other receivables and other assets | 4,577 | 6,047 |
| Increase (decrease) in accounts payable and other liabilities | 531 | (2,434) |
| Unrealized foreign exchange loss (gain) | <u>4</u> | <u>(6)</u> |
| Net Cash Provided by Operating Activities | <u>20,747</u> | <u>20,759</u> |
| Cash Flows from Investing Activities | | |
| Settlement and termination of derivative instruments which do not qualify for hedge accounting | (22,146) | (5,414) |
| Cash paid for other assets | (7) | -- |
| Cash paid for drydockings | <u>--</u> | <u>(593)</u> |
| Net Cash Used in Investing Activities | <u>(22,153)</u> | <u>(6,007)</u> |
| Cash Flows from Financing Activities | | |
| Repayment of credit facility | (366,366) | (14,800) |
| Proceeds from issuance of secured notes | 413,700 | -- |
| Deferred financing costs incurred | <u>(15,304)</u> | <u>--</u> |
| Net Cash Provided by Financing Activities | <u>32,030</u> | <u>(14,800)</u> |

| | | |
|---|-------------------------|-------------------------|
| Net increase (decrease) in Cash and Cash Equivalents | 30,624 | (48) |
| Cash and Cash Equivalents at start of Period | <u>24,539</u> | <u>26,145</u> |
| Cash and Cash Equivalents at end of Period | <u><u>\$ 55,163</u></u> | <u><u>\$ 26,097</u></u> |
| Supplemental information | | |
| Total interest paid | \$ 3,497 | \$ 4,624 |
| Income tax paid | <u><u>\$ 24</u></u> | <u><u>\$ 19</u></u> |

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