



# GLOBAL SHIP LEASE

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**An Update on Global Ship Lease**

# Safe Harbor Statement

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*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 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 only 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 waivers which might be necessary under the existing credit facility or obtain additional financing to fund capital expenditures, vessel acquisitions and for other general corporate purposes;*
- *Global Ship Lease's ability to meet its financial covenants and repay its credit facility;*
- *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 credit facility;*
- *future acquisitions, business strategy and expected capital spending;*
- *operating expenses, availability of key employees and crew, number of off-hire 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;*
- *change 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 vessels to purchase, the time that it may take to construct new vessels, or the useful lives of its vessels;*
- *Global Ship Lease's continued ability to enter into or renew long-term, fixed rate 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 long-term, fixed rate charters;*
- *Global Ship Lease's ability to capitalize on management's and 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.*

# Disclaimer

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*The financial information and data contained in this communication is unaudited and does not conform to the U.S. Securities and Exchange Commission Regulation S-X. Accordingly, such information and data may not be included in, may be adjusted in or may be presented differently in, Global Ship Lease's filings with the Securities and Exchange Commission, or SEC. This communication includes certain estimated financial information and forecasts presented as pro-forma financial measures that are not derived in accordance with generally accepted accounting principles ("GAAP"), and which may be deemed to be non-GAAP financial measures within the meaning of Regulation G promulgated by the SEC. Global Ship Lease believes that the presentation of these non-GAAP financial measures serves to enhance the understanding of the financial performance of Global Ship Lease. However, these non-GAAP financial measures should be considered in addition to and not as substitutes for, or superior to, financial measures of financial performance prepared in accordance with GAAP. Please refer to the first quarter earnings press release for a discussion of these non-GAAP financial measures.*

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# Company Overview

## Overview

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- NYSE listed containership lessor with fleet of 17 ships leased out under fixed rate time charters
  - Quality fleet with weighted average age of 8.3 years out of economic life of 30 years
  - Strong record of utilization; average 99.6% since January 1, 2008 (excluding planned dockings)
  - All vessels chartered to CMA CGM: third largest liner company in world, with long history of operating through cycles
  - Contracted revenue of \$1.1 billion, with weighted average remaining contract length of 7.8 years
- Business model generates stable and predictable cash flows
  - Insulated from direct impact of volatile freight markets
  - FY2011 revenue of \$156.0 million and EBITDA of \$104.0 million
  - 1H2012 revenue of \$77.6 million and EBITDA of \$52.0 million
- Stable platform, well placed to weather current market uncertainty and turbulence
  - Significant charter coverage, with only two expirations before 2016
  - No exposure to financing or refinancing before 2016
  - Attractive industry fundamentals and growth prospects over long term
- Ongoing de-leveraging supports equity value over long term

# Strategy / Value Proposition

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## Business Strategy

- Provide best-in-class chartering services to top tier containership operators
- Secure long-term charters with staggered maturities
- Maintain strong balance sheet
- Achieve long-term accretive fleet growth in disciplined manner
  - Focus on returns / economics to ensure that acquisitions meet IRR targets and are accretive to cash flow per share

## Value Proposition

- Own and operate high quality fleet of diverse vessel sizes
- Generate stable and predictable cash flows
- Achieve predictable and stable costs
- Business model supports dividends over long term
- Positioned to continue to pay down debt
- Experienced management team to capitalize on attractive long-term industry fundamentals

# Fleet and Charter Portfolio: High Quality Tonnage of Diverse Sizes

- \$1.1 billion contracted revenue, with 7.8 years average remaining charter duration; weighted average vessel age of 8.3 years<sup>1</sup>

Vessel	Counterparty	TEUs	Built	Charter Rate (\$ / Day) and Duration
Ville d'Orion	CMA CGM	4,113	1997	\$28,500
Ville d'Aquarius	CMA CGM	4,113	1996	\$28,500
CMA CGM Matisse	CMA CGM	2,262	1999	\$18,465
CMA CGM Utrillo	CMA CGM	2,262	1999	\$18,465
Delmas Keta	CMA CGM	2,207	2003	\$18,465
Julie Delmas	CMA CGM	2,207	2002	\$18,465
Kumasi	CMA CGM	2,207	2002	\$18,465
Marie Delmas	CMA CGM	2,207	2002	\$18,465
CMA CGM La Tour	CMA CGM	2,272	2001	\$18,465
CMA CGM Manet	CMA CGM	2,272	2001	\$18,465
CMA CGM Alcazar	CMA CGM	5,089	2007	\$33,750
CMA CGM Chateau d'Iff	CMA CGM	5,089	2007	\$33,750
CMA CGM Sambhar	CMA CGM	4,045	2006	\$25,350
CMA CGM Jamaica	CMA CGM	4,298	2006	\$25,350
CMA CGM America	CMA CGM	4,045	2006	\$25,350
CMA CGM Thalassa	CMA CGM	11,040	2008	\$47,200
CMA CGM Berlioz	CMA CGM	6,621	2001	\$34,000
	<b>YEAR</b>			2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

- Limited near-term expirations; only two charters scheduled to expire in 2013:
  - Earliest May 1, 2013
  - Latest June 14, 2013
  - Rate of \$9,962 per day from September 20, 2012 through to charter expiry
- No further expirations until 2016

(1) As at June 30, 2012

# Experienced Management Team

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**Ian J. Webber**

*Chief Executive Officer*

- CP Ships, 1996-2006: CFO and Director
    - Top 20 containership operator
    - Public company traded on NYSE and TSE
    - Sold to Hapag-Lloyd in 2005 for \$2.3 billion
  - PriceWaterhouse, 1979-1996: Partner, 1991-1996
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**Susan J. Cook**

*Chief Financial Officer*

- P&O, 1986-2006: Group Head of Specialized Finance, Head of Structured Finance, Deputy Group Treasurer
  - Chartered Management Accountant and Member of Association of Corporate Treasurers
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**Thomas A. Lister**

*Chief Commercial Officer*

- DVB Bank, 2005-2007: Specialist transport asset financier; SVP & Head of Singapore ship leasing and investment fund project
  - Nordcapital, 2004-2005: German KG ship financier and asset manager; Director of business development
  - >10 years experience in various roles with liner shipping companies
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**Vivek Puri**

*Chief Technical Officer*

- Senior Vice President and Chief Technical Officer for British Marine PLC UK 2008
- Chief Technical Officer at Synergy Marine Cyprus 2007
- Managing Director of Wallem Ltd UK and Technical Manager of Wallem Shipmanagement UK in 26 year career with the Wallem Group

## Expert and Majority Independent Board

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**Michael S. Gross**

*Chairman*

- Chairman, CEO and President of Solar Capital and Solar Senior Capital
  - Chairman and CEO of Marathon Acquisition Corp 2006 - 2008
  - Partner of Magnetar Capital 2006 - 2009
  - Apollo Investment Management LP, 1990 - 2006; President and CEO 2004 - 2006
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**Howard Boyd**

*Director*

- Consultant to AP Moller-Maersk 2004-2008
  - CEO of Safmarine, 1996 - 2004 (acquired by APMM in 1999),
  - Various roles within Safmarine 1970 - 1995
- 

**Angus R. Frew**

*Director*

- Chief Executive of the British Chamber of Shipping
  - President and CEO GE SeaCo SRL, 2003 – 2008
  - SVP of container division and officer of GE Sea Containers Ltd, 2003 - 2005
  - 1990 – 2002: senior management roles in Grand Met, Diageo, and Seagrams
- 

**Guy Morel**

*Director*

- General Secretary of Intermanager, the international association of ship managers, until 2010
  - Professor of corporate finance at International University of Monaco, 2005 - 2007
  - President and COO of MC Shipping, 1993 - 2004
  - Co-founder, director and shareholder of V.Ships 1979 - 1993
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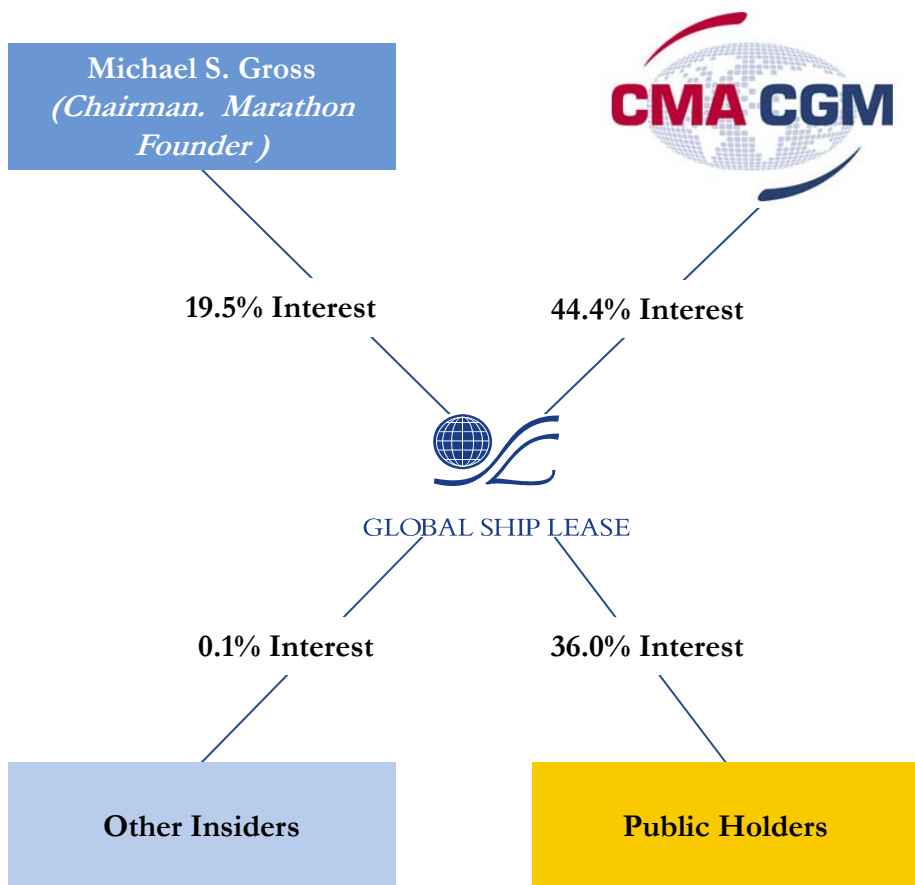
**Jeff D. Pribor**

*Director*

- EVP and CFO of General Maritime Corp
- MD and President of DnB NOR US-based investment banking division, 2002 - 2004
- MD and Group Head of Transportation for ABN AMRO, 2001 - 2002
- >15 years in investment banking and corporate law at various other institutions

# Strong Alignment with Shareholders

## Ownership Structure



## Ownership Detail

47.5 million Class A Common Shares

- CMA CGM holds 20.5 million (43.1%)
- Michael Gross holds 7.3 million (15.4%)

7.4 million Class B Subordinated Common Shares

- CMA CGM holds 3.9 million (53.2%)
- Michael Gross holds 3.5 million (46.1%)

6.2 million Class A Warrants<sup>(1)</sup>

- CMA CGM holds 3.1 million
- Michael Gross holds 3.0 million

\$48 million Series A Preferred Shares

- CMA CGM holds 100%
- Non-voting, non-convertible

Source: Company records and public filings. As at June 30, 2012

(1) Warrants to purchase A Common at \$9.25 per share. Expire September 1, 2013

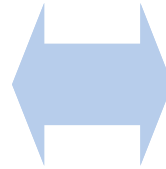
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# Industry Overview

# Role of Liner Operators and Containership Lessors

## Role of Liner Operators

- Source and aggregate cargo from shippers
- Load and discharge containers
- Ocean carriage
- Land based logistics
- Responsible for fuel costs



## Role of Containership Lessors

- Own and manage vessels which are leased to container liners under long-term charters
- Responsible for maintenance, crewing, lubricants, insurance and daily technical operations
- No fuel risk or direct exposure to freight market



Profitable over time, but volatile cash flows; huge capital needs

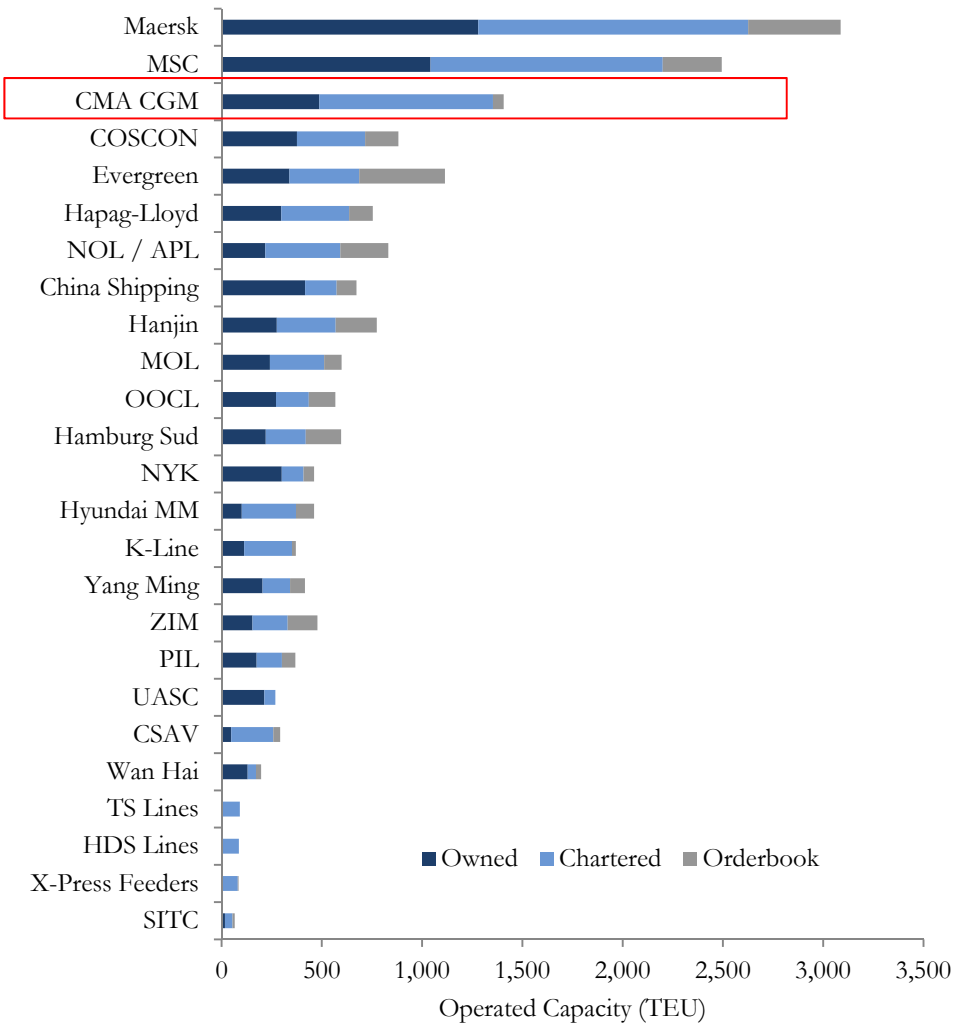
## GLOBAL SHIP LEASE



Stable cash flows under long-term charters

# Liner Operators Rely on Chartered Capacity

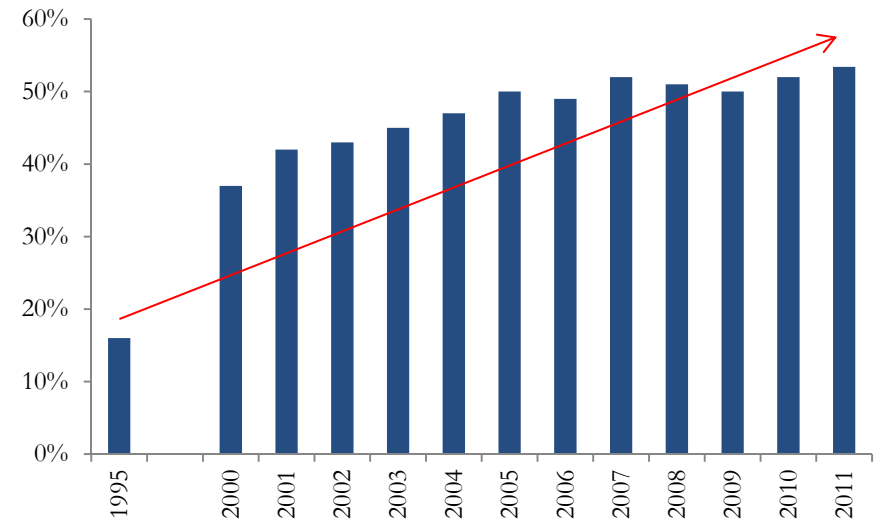
## Fleet Composition of Top 25 Liner Operators



## Chartered Capacity of Liner Operators

	Chartered Capacity
All Liner Operators	52%
Top 25 Liner Operators	52%
Top 3 Liner Operators	55%

## Chartered Capacity as Share of Total Fleet



Source data: Alphaliner; - August, 2012

# Traditional Sources of Funding are Currently Constrained, Creating Opportunities

## Top 25 Containership Lessors by TEU Capacity

Rank	Managing Owner	On-the-Water Fleet		Share of Top 25
		TEU	Ships	
1	Offen, Claus Peter	549,056	103	10.1%
2	Blue Star Holding	522,213	106	9.6%
3	Niederelbe (NSB)	438,271	97	8.1%
4	Seaspan	405,593	69	7.5%
5	Peter Doehle & Hammonia	386,347	110	7.1%
6	Danaos	363,068	64	6.7%
7	Norddeutsche	327,231	77	6.0%
8	Rickmers	321,196	94	5.9%
9	Zodiac	319,700	56	5.9%
10	Costamare	242,666	50	4.5%
11	Shoei Kisen	176,703	41	3.3%
12	NSC Schiffahrt	131,163	44	2.4%
13	Technomar	129,628	33	2.4%
14	Schulte Group	127,495	40	2.4%
15	Thomas Schulte	106,757	36	2.0%
16	Niki Group	98,360	10	1.8%
17	Leonhardt & Bloomberg	97,198	57	1.8%
18	Lacisz Sciffahrts	97,059	26	1.8%
19	Hansa Shipping	95,822	29	1.8%
20	Schoeller Holdings	91,153	52	1.7%
21	Herman Buss	89,328	56	1.6%
22	Nissen Kaiun	82,963	25	1.5%
23	Synergy Marine	77,390	17	1.4%
24	Martime	71,623	28	1.3%
25	Global Ship Lease	66,349	17	1.2%
<b>Total , Top 25 Charter-Owners</b>		<b>5,414,322</b>	<b>1,337</b>	<b>100.0%</b>

<b>Total Charter-Owner Fleet</b>	<b>8,377,892</b>	<b>2,860</b>
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## Non-KG Players in Top 25

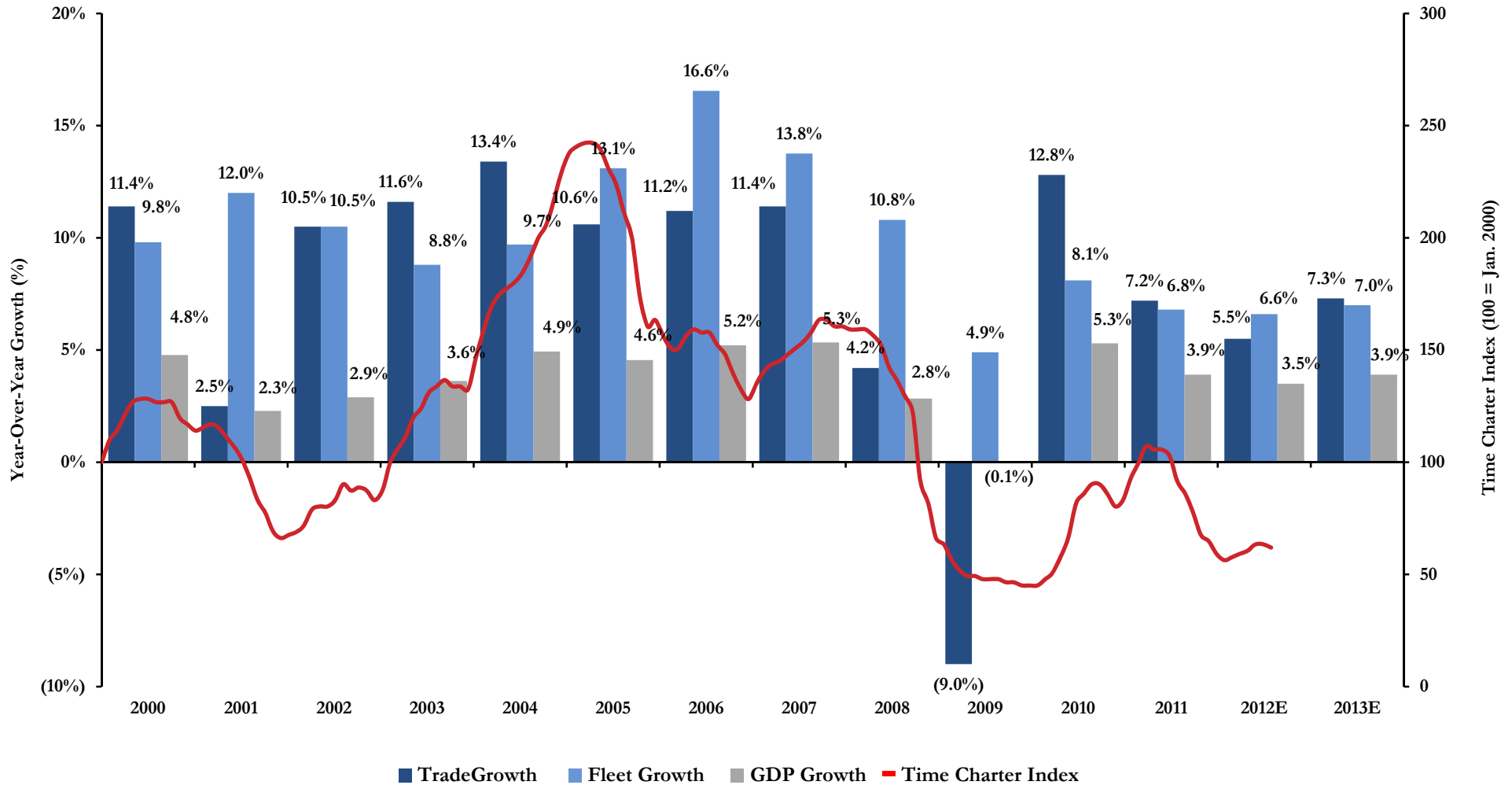
Rank	Managing Owner	On-the-Water Fleet		Revised Share
		TEU	Ships	
1	Seaspan	405,593	69	20.7%
2	Danaos	363,068	64	18.5%
3	Zodiac	319,700	56	16.3%
4	Costamare	242,666	50	12.4%
5	Shoei Kisen	176,703	41	9.0%
6	Technomar	129,628	33	6.6%
7	Niki Group	98,360	10	5.0%
8	Nissen Kaiun	82,963	25	4.2%
9	Synergy Marine	77,390	17	3.9%
10	Global Ship Lease	66,349	17	3.4%
<b>Total (Non-KG)</b>		<b>1,962,420</b>	<b>382</b>	<b>100.0%</b>

- The German KG system has been a significant source of funding for containership assets
- 15 of the top 25 containership lessors are German owners, funded primarily via the German KG system
- ~30% by capacity (and 34% by vessel number) of the total global fleet is controlled by German owners; this equates to ~60% of chartered tonnage
- ~15% of the containership orderbook (mainly contracted prior to 4Q 2008) is controlled by German owners
- The KG market has been largely paralyzed since late 2008, significantly elevating demand and investment opportunities for alternative sources of capital

Source data: Alpbaliner - August, 2012

# Market Dynamics Shaped by Fundamentals

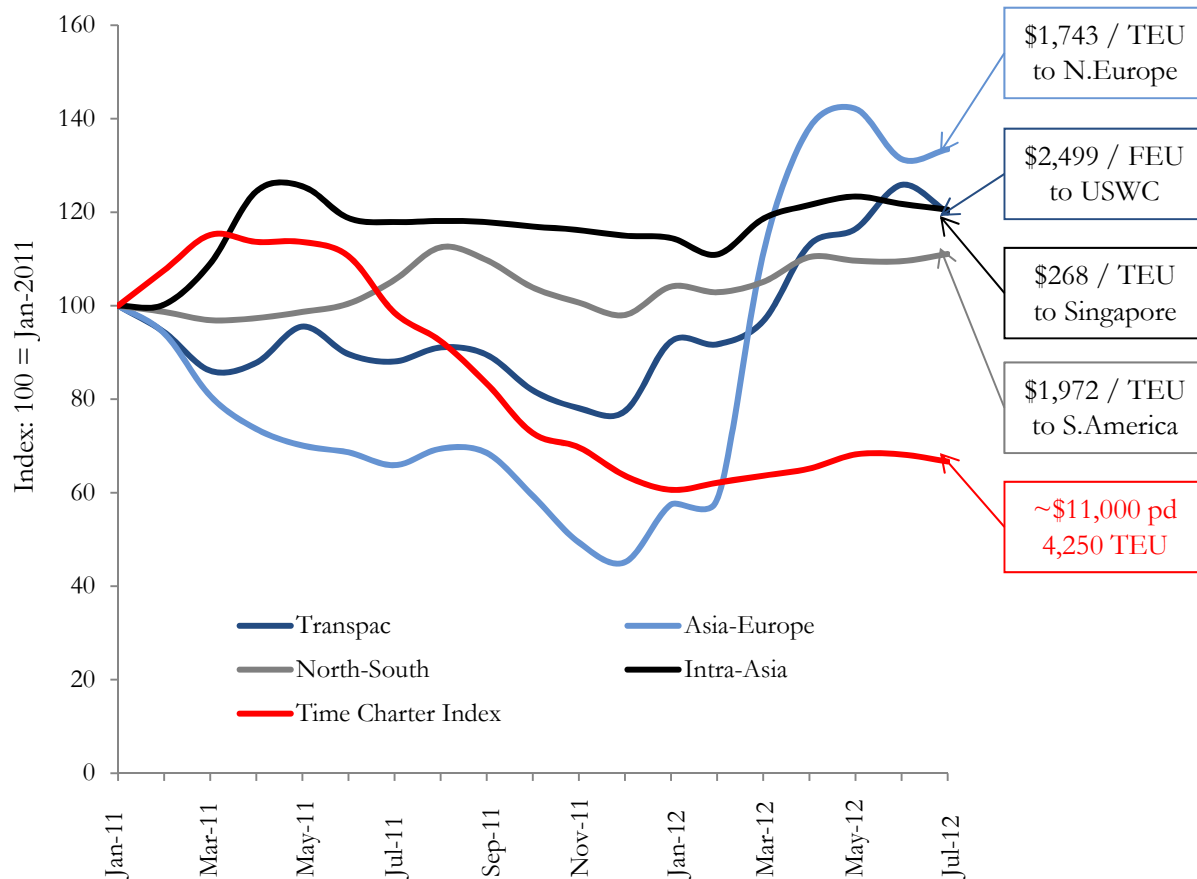
Interplay Between Charter Rates (Proxy for Vessel Values) and Growth in GDP, Containerized Trade and Fleet Supply



Source data: Clarksons, IMF – July & August, 2012

# Pricing Discipline is Improving Environment for Liner Operators

## Freight Rate Indices (ex-Shanghai) & TimeCharter Rate Index



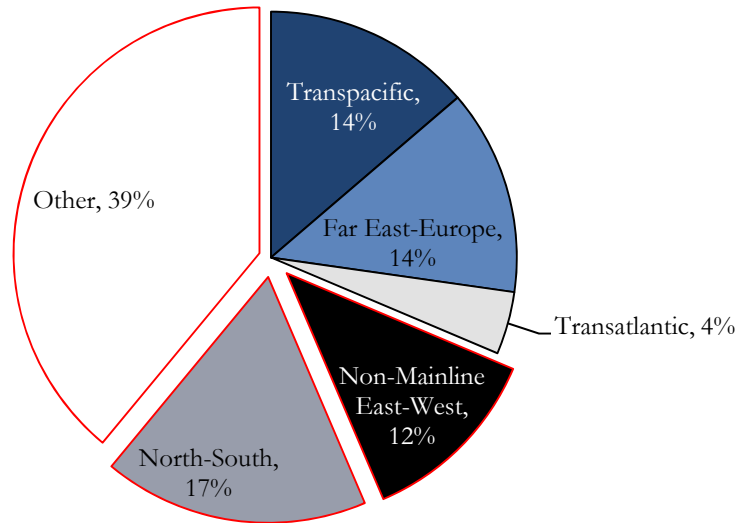
## Commentary

- Despite weakening macroeconomic sentiment, starting in March 2012, lines successfully introduced General Rate Increases (GRIs)
- Most significant GRIs were implemented on Asia / Europe trades, with 2Q 2012 spot rates around triple those of 4Q 2011
- 2Q 2012 liner results published to date reflect positive impact of GRIs
- However, supply / demand fundamentals have not supported significant improvement in charter rates

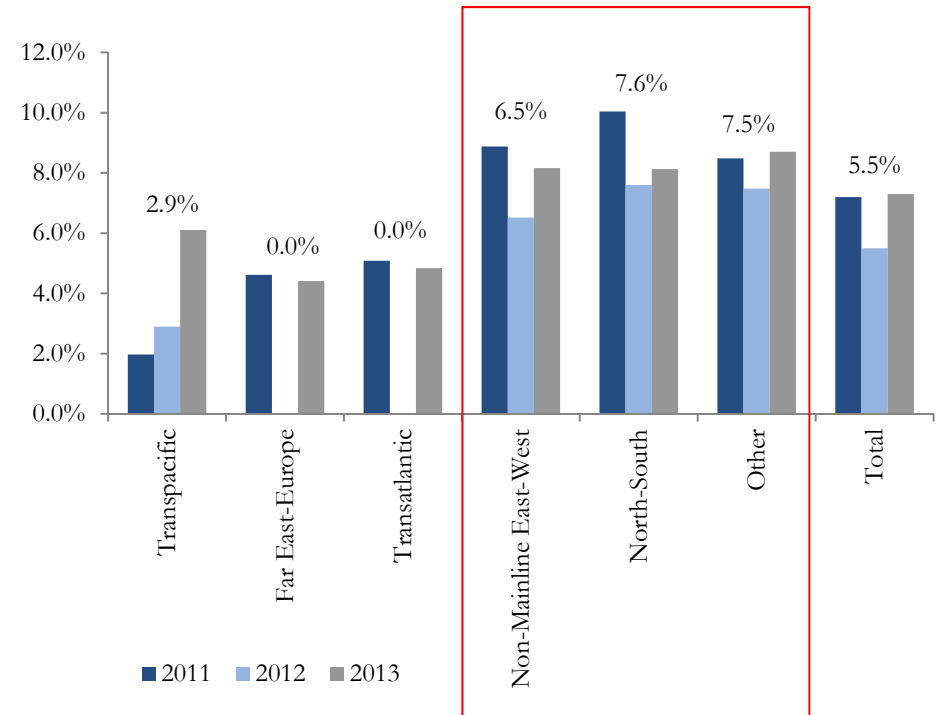
Source data: Clarksons – August, 2012

# Mid-Size and Smaller Vessels Deployed in Higher Growth Trades

2011 Global Containerized Trade ~151 mm TEU



Estimated Containerized Trade Growth, by Tradelane<sup>3</sup>



- Fastest growing trades are Non-Mainline East-West<sup>1</sup>, North-South and Other (primarily Intra-Asia)
- Collectively these trades represent almost 70% of global containerized trade
- These trades are predominantly served by mid-size and smaller tonnage; 15 of GSL's 17 vessels are in this category

Source data: Clarksons – August, 2012

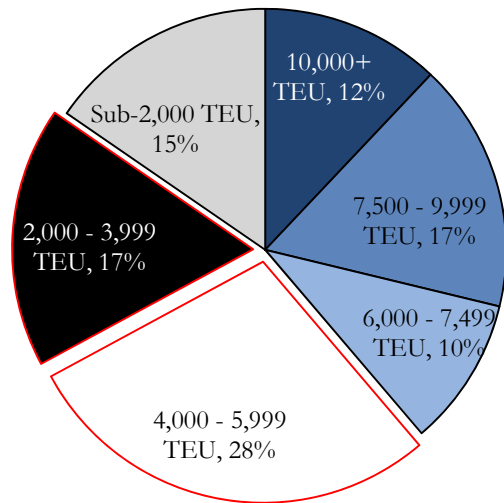
(1) Non-Mainline East-West Trades include non long-haul trades such as those to and from M.East and Indian Sub-Continent

(2) Other Trades include the Intra-Regional Trades (primarily Intra-Asia) and South-South Trades

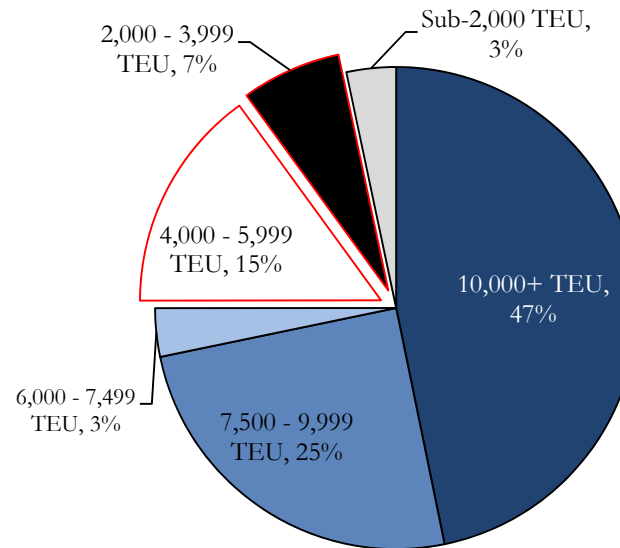
(3) Data labels show projected growth FY2012

# Mid-Size and Smaller Vessels: Flexible Tonnage in Under-Built Segments

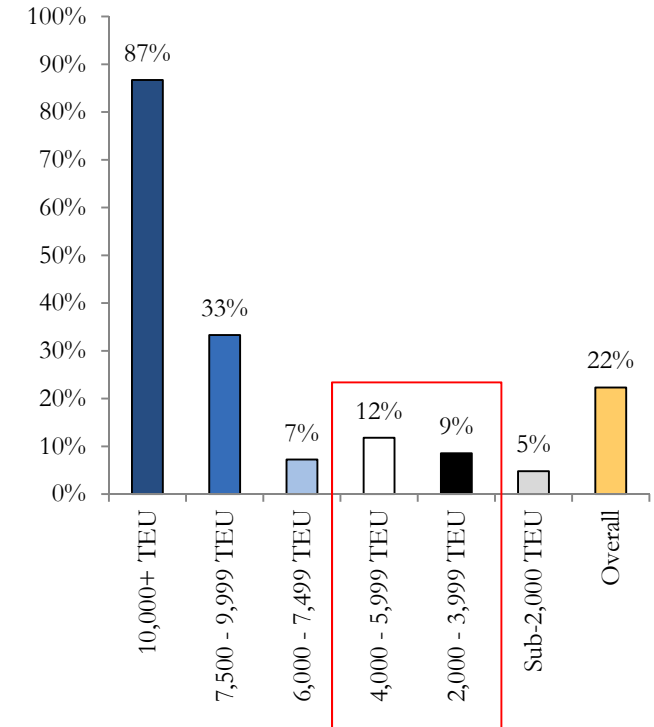
Existing Fleet: 16.1 mm TEU



Orderbook: 3.6 mm TEU



Orderbook as % of Fleet Segment



- Orderbook is ~22% of existing fleet capacity
  - Lowest orderbook-to-fleet ratio since 2003
  - 10 year average ~40%
  - Pre-crisis peak ~60%
- Mid and smaller size segments
  - 4,000 – 5,999 TEU segment; orderbook is ~12% of existing capacity
  - 2,000 – 3,999 TEU segment; orderbook is ~9% of existing capacity

Source data: Alphaliner, Clarksons – August, 2012

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# Financial Performance

# Robust Performance Throughout the Cycle



Source: Clarksons (Note: Timecharter Index has been re-based: 100 = average 1Q2008 – 2Q2012) and GSL

(1) 4Q-2010 Operating Income before \$17.1 million impairment charge following renegotiation of purchase obligations on two 4,250 TEU vessels converting these to options

(2) 2Q-2011 Operating Income before \$13.6 million impairment charge to write-off fair value of purchase options

## Global Ship Lease: 2Q 2012 Highlights

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### Continued to generate stable revenues and cash flows:

- Reported revenue of \$39.2 million for second quarter 2012
- Generated EBITDA of \$26.8 million for second quarter 2012
- Excluding non-cash mark-to-market gain, normalized net income was \$6.6 million for second quarter 2012
- Reported net income of \$7.5 million for second quarter 2012, after a \$0.9 million non-cash interest rate derivative mark-to-market gain
- Continued to de-lever; repaid \$12.1 million of debt during the second quarter of 2012; repaid \$139.3 million since the fourth quarter of 2009

## Cash Flow Considerations

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- **Reduction in revenue in 2012** from new charters
  - Lower revenue per vessel per day \$18,538 (\$28,500 less \$9,962). 205 ownership days at new rate in 2012; total revenue effect in 2012 negative \$3.8 million
- **Each 2012 drydocking** to date has on average cost \$1.3 million. Approximately \$1.2 million is capitalized and amortized over five years to next drydocking and \$0.1 million expensed. In addition, on average, some \$350,000 lost revenue due to offhire. Total cash effect \$1.65 million. Five fewer drydockings in 2013; total cash saving \$8.2 million
- **Interest reduction** from \$253 million swaps at 3.40% expiring March 17, 2013. Assume LIBOR 0.50%. Net saving 2.90% on \$253 million for 290 days to end 2013 totals \$5.9 million
- **Drydocking and interest reduction** in 2013 versus 2012 above totals \$14.1 million
  - Revenue reduction of \$18,538 per vessel per day for 286 ownership days on new charters scheduled to expire on May 23, 2013 absorbs \$5.3 million
  - “Balance” of \$8.8 million over remaining 444 ownership days for the two vessels in 2013 would cover a reduction of \$19,820 per day ( $\$28,500 - \$19,820 = \$8,680$ )

## Credit Facility

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- Debt peaked at \$599.1 million in August 2009 on purchase of 17<sup>th</sup> vessel
- Amortization commenced Q4 2009
- \$139.3 million repaid; balance at June 30, 2012 \$459.8 million
- 12 year profile, though final maturity August 2016
- \$580 million interest rate swaps at average rate 3.59%; \$253 million at 3.40% expires March 2013
- Agreed with lenders to waive until November 30, 2012 the requirement to conduct loan-to-value tests; the agreement provides that during the period of the waiver:
  - Amounts borrowed will bear interest at LIBOR plus a fixed interest margin of 3.50%
  - Unable to pay dividends to common shareholders
  - Cash flow will be used to prepay borrowings under the credit facility; the amount of cash in excess of \$20 million as at November 30, 2011 (and quarterly thereafter) will be the amount of the prepayment due December 31, 2011 (and quarterly thereafter)

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# Investment Highlights

## Investment Highlights

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- Business model and contracted revenue insulate results from direct impact of volatile freight markets
  - Total contracted revenue stream of ~\$1.1 billion; only two charter expirations in next four years
  - CMA CGM, third largest liner company, has a long history of operating through cycles
  - Strong record of utilization; average 99.6% since January 2008, excluding planned drydocking
  - Predictable and stable costs
- No exposure to financing or re-financing until 2016
- Utilizing cash flow to pay down debt and strengthen balance sheet
- Future cash flow to benefit from the expiration of \$253 million interest rate derivatives mid-March 2013 and reduced drydocking schedule in 2013, 2014 and 2015
- Business model and ongoing deleveraging supports equity value and, when firmly in compliance with loan-to-value covenant, the reintroduction of sustainable dividends over the long term
- Attractive long-term industry fundamentals and growth prospects



GLOBAL SHIP LEASE

## Appendices

# Financial Results Q2 2012 - Unaudited

(Expressed in thousands of U.S. dollars)

USD thousands	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
<b>Operating Revenues</b>				
Time charter revenue	\$ 39,233	\$ 38,774	\$ 77,583	\$ 77,878
<b>Operating Expenses</b>				
Vessel operating expenses	11,220	11,254	22,877	22,297
Depreciation	10,165	9,989	20,134	19,938
General and administrative	1,316	1,876	2,908	3,818
Impairment charge	-	13,645	-	13,645
Other operating income	(91)	(92)	(158)	(198)
Total operating expenses	22,610	36,672	45,761	59,500
<b>Operating Income</b>	16,623	2,102	31,822	18,378
<b>Non Operating Income (Expense)</b>				
Interest income	21	10	44	23
Interest expense	(5,349)	(5,058)	(10,815)	(10,668)
Realized loss on interest rate derivatives	(4,610)	(4,869)	(9,102)	(9,652)
Unrealized gain (loss) on interest rate derivatives	907	(3,802)	3,583	1,160
<b>Income (Loss) before Income Taxes</b>	7,592	(11,617)	15,532	(759)
Income tax	(78)	(76)	(68)	(95)
<b>Net Income (Loss)</b>	\$ 7,514	\$ (11,693)	\$ 15,464	\$ (854)

# Balance Sheet June 30, 2012 - Unaudited

(Expressed in thousands of U.S. dollars)

USD thousands	June 30, 2012	December 31, 2011
<b>Assets</b>		
Cash and cash equivalents	\$ 32,461	\$ 25,814
Restricted cash	3,027	3,027
Accounts receivable	13,759	13,911
Prepaid expenses	514	726
Other receivables	755	839
Deferred tax	-	19
Deferred financing costs	1,141	1,168
Total current assets	51,657	45,504
Vessels in operation	874,477	890,249
Other fixed assets	42	54
Intangible assets - other	83	92
Deferred tax	-	10
Deferred financing costs	3,040	3,626
Total non-current assets	877,642	894,031
<b>Total Assets</b>	<b>\$ 929,299</b>	<b>\$ 939,535</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Current portion of long term debt	\$ 47,000	\$ 46,000
Intangible liability – charter agreements	2,119	2,119
Accounts payable	3,932	1,286
Accrued expenses	4,850	4,953
Derivative instruments	15,888	15,920
Total current liabilities	73,789	70,278
Long term debt	412,756	437,612
Preferred shares	48,000	48,000
Intangible liability – charter agreements	18,992	20,050
Deferred tax liability	6	-
Derivative instruments	25,845	29,395
Total long-term liabilities	505,599	535,057
<b>Total Liabilities</b>	<b>\$ 579,388</b>	<b>\$ 605,335</b>
<b>Total Stockholders' Equity</b>	<b>349,911</b>	<b>334,200</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 929,299</b>	<b>\$ 939,535</b>

# Cash Flow Q2 2012 - Unaudited

(Expressed in thousands of U.S. dollars)

USD thousands	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
<b>Cash Flows from Operating Activities</b>				
Net income (loss)	\$ 7,514	\$ (11,693)	\$ 15,464	\$ (854)
<b>Adjustments to Reconcile Net income (loss) to Net Cash Provided by Operating Activities</b>				
Depreciation	10,165	9,989	20,134	19,938
Impairment charge	-	13,645	-	13,645
Amortization of deferred financing costs	299	262	613	531
Change in fair value of certain derivative instruments	(907)	3,802	(3,583)	(1,160)
Amortization of intangible liability	(530)	(530)	(1,059)	(1,059)
Settlements of hedges which do not qualify for hedge accounting	4,610	4,869	9,102	9,652
Share based compensation	134	175	247	311
Decrease (increase) in other receivables and other assets	993	(25)	495	(340)
(Decrease) increase in accounts payable and other liabilities	(873)	(1,302)	2,121	(1,840)
Unrealized foreign exchange (gain) loss	(7)	2	8	11
<b>Net Cash Provided by Operating Activities</b>	<u>21,398</u>	<u>19,194</u>	<u>43,542</u>	<u>38,835</u>
<b>Cash Flows from Investing Activities</b>				
Settlements of hedges which do not qualify for hedge accounting	(4,610)	(4,869)	(9,102)	(9,652)
Cash paid to acquire intangible assets	-	(66)	-	(92)
Costs relating to drydockings	(2,402)	(487)	(3,938)	(1,324)
<b>Net Cash Used in Investing Activities</b>	<u>(7,012)</u>	<u>(5,422)</u>	<u>(13,040)</u>	<u>(11,068)</u>
<b>Cash Flows from Financing Activities</b>				
Repayments of debt	(12,069)	(10,000)	(23,855)	(23,816)
<b>Net Cash Used in Financing Activities</b>	<u>(12,069)</u>	<u>(10,000)</u>	<u>(23,855)</u>	<u>(23,816)</u>
<b>Net increase in Cash and Cash Equivalents</b>	2,317	3,772	6,647	3,951
<b>Cash and Cash Equivalents at start of Period</b>	<u>30,144</u>	<u>28,539</u>	<u>25,814</u>	<u>28,360</u>
<b>Cash and Cash Equivalents at end of Period</b>	<u>\$ 32,461</u>	<u>\$ 32,311</u>	<u>\$ 32,461</u>	<u>\$ 32,311</u>

# Global Ship Lease Contact Details

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