



# GLOBAL SHIP LEASE

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An Update on Global Ship Lease

September 2014

# 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 strength of future growth of the container shipping industry, including the rates of annual demand and supply growth;*
- the financial condition of CMA CGM (the company's principal charterer and main source of operating revenue) or other charterers and their ability to pay charterhire in accordance with the charters;*
- the overall health and condition of the U.S. and global financial markets;*
- Global Ship Lease's financial condition and liquidity, including its ability to obtain additional financing to fund capital expenditures, vessel acquisitions and for other general corporate purposes and its 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, crew, number of off-hire days, drydocking and survey requirements and insurance costs and general and administrative 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 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 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; 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 fourth quarter earnings press release for a discussion of these non-GAAP financial measures.*

# Company Overview

## NYSE-Listed Containership Lessor

### Diverse Fleet

- 17 containerships
- 2,207 – 11,040 TEUs
- Eight geared vessels

### Strong Charters

- Primarily long-term leases with CMA CGM (world's third largest liner operator)<sup>(2)</sup>
- 99.7% <sup>(3)</sup> utilization for all vessels

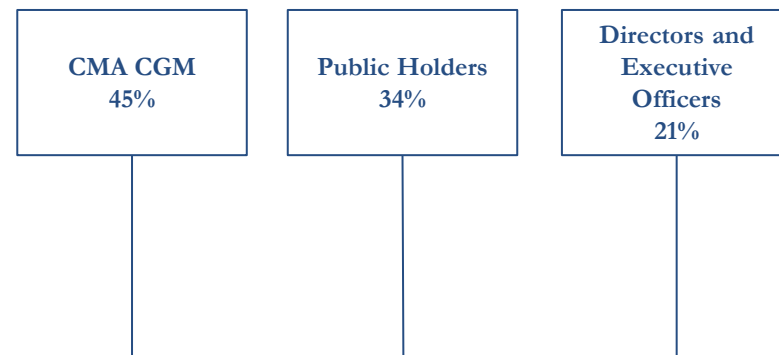
### Financials

- FY2013 Revenues: \$143.2 mm
- FY2013 Adjusted EBITDA: \$91.5 mm
- 2Q2014 Revenues: \$33.5 mm
- 2Q2014 Adjusted EBITDA: \$19.8 mm

### Experienced Management

- Over 100 years of cumulative experience in the shipping industry, across owners, liner companies, ship finance and ship management

## Ownership Structure



GLOBAL SHIP LEASE

NYSE: **GSL**  
Mkt. Cap <sup>(1)</sup>: \$194 mm

(1) As at September 16, 2014. Calculated on basis of 47.5mm Class A Common shares only at closing price of \$4.09

(2) Measured by operating capacity

(3) For the five years 2009 - 2013, excluding planned drydocking

## Investment Highlights

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### High Quality, Diverse and Versatile Fleet

- Existing fleet weighted towards mid-size and smaller vessels and includes geared capacity
- Underbuilt size segments with flexible deployment alternatives
- Strong utilization of 99.7% <sup>(1)</sup>

### Stable and Visible Cash Flows

- All vessels on fixed-rate charters, with only two coming off lease before late 2017
- 7.3 years<sup>(2)</sup> weighted average remaining charter duration protects from near term volatility
- Staggered maturities reduce exposure to recharter risk
- \$900mm<sup>(2)</sup> contracted forward revenue

### Strong Relationship with CMA CGM

- Third largest liner company in the world; our primary customer and also our ship manager
- Vested interested in GSL's success with 45% ownership
- Performed throughout cycle, in line with contracted charter terms

### Financial Strength and Flexibility

- Stable financial profile with 2Q14 revenues of \$33.5 mm and Adjusted EBITDA of \$19.8 mm
- Access to public and private capital markets, when traditional sources of capital are constrained
  - \$35 mm perpetual preferred equity offering in August 2014 enabling repurchase of existing, amortizing short-term preferred shares at a substantial discount to liquidation value
- Capacity to make accretive investments with asset values at cyclical lows
- Ability to consider paying dividends, subject to certain limitations, on go-forward basis

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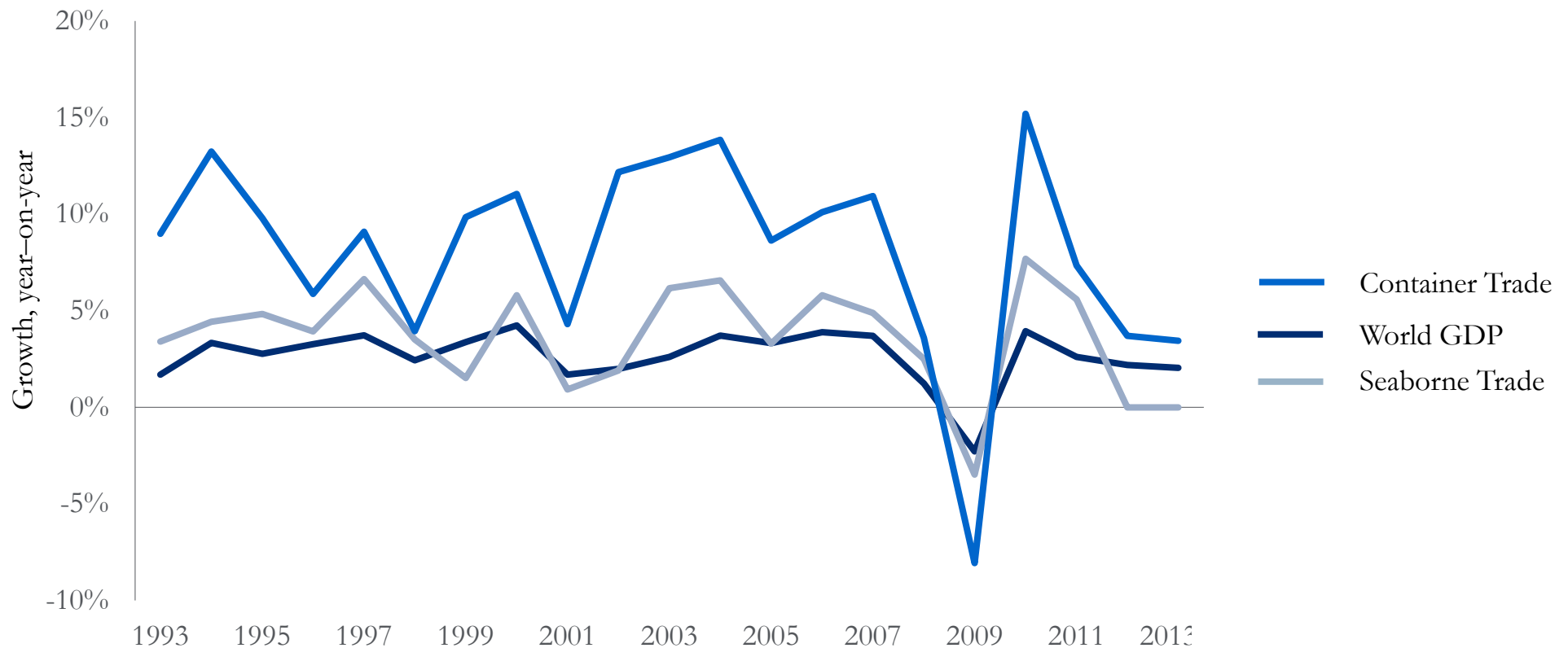
(1) For the five year's 2009 - 2013, excluding planned drydocking

(2) As at June 30, 2014; average remaining term excludes Ville d'Aquarius and Ville d'Orion, which operate on short-term charters.

# Container Shipping is a Driver of Globalization

- Container shipping commenced in the 1950's
- Convenient and cost-effective transport of a wide range of consumer, semi-manufactured and manufactured goods
  - 166mm TEU<sup>(1)</sup> of containerized cargo shipped in FY 2013
- Significant driver of globalization
- Containerized trade has historically grown at a multiple of global GDP growth

Global GDP Growth vs. Trade Growth



(1) TEU: Twenty-foot equivalent unit, the standard unit of container shipping

# Our Business Model: Leasing Versus Shipping

## Role of Containership Lessors

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

*Stable cash flows backed by charters*

 GLOBAL SHIP LEASE



COSTAMARE Inc.

**danahans**

 seaspan  
CORPORATION



## Role of Liner Companies

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

*Profitable over time, but volatile cash flows;  
substantial capital needs*



China Shipping Container Lines Company



MAERSK



MEDITERRANEAN SHIPPING COMPANY



Hapag-Lloyd



HYUNDAI MERCHANT MARINE CO., LTD.



NYK LINE  
NIPPON Yusen Kaisha

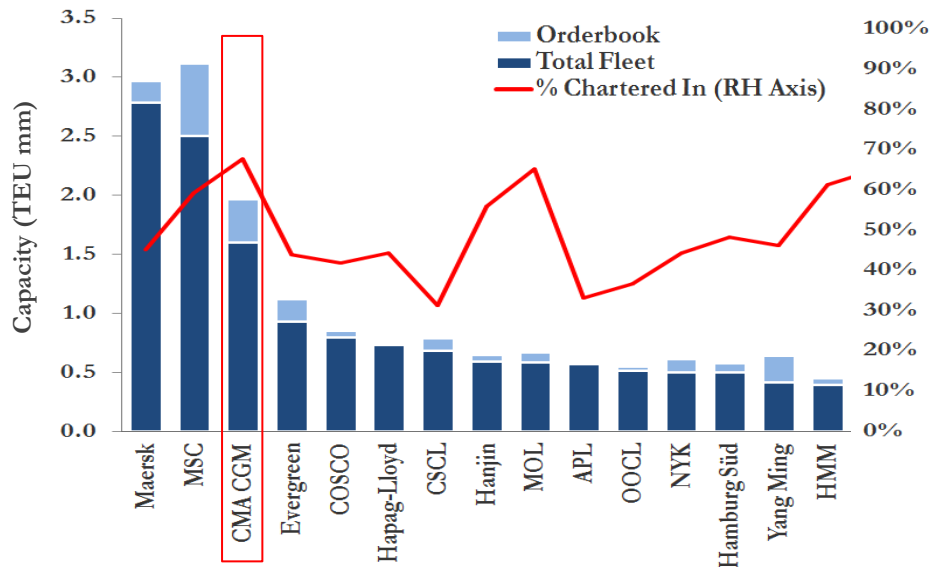


*Approximately half of global containership fleet <sup>(1)</sup> is owned by containership lessors*

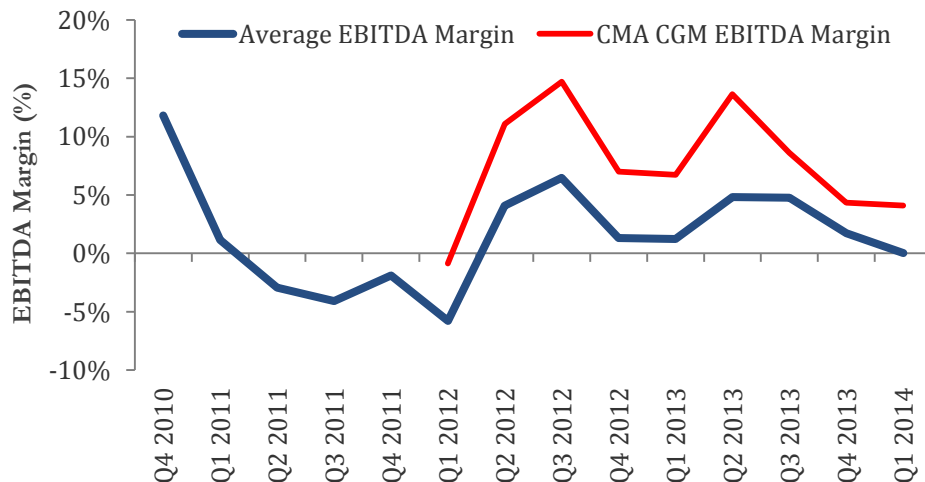
(1) Global containership fleet as at March 31, 2014 was 5,254 vessels / 17.7mm TEU

# Strategic Relationship with CMA CGM, an Industry Leader

## Top 15 Liners by TEU



## Sector Margins <sup>(2)</sup>



## CMA CGM



428 vessels / 1.6mm TEU capacity<sup>(1)</sup>  
 ~80% chartered-in (by # of vessels)  
 FY2013 Revenues: \$15.9bn  
 FY2013 EBITDA: \$1.0bn

## GSL's Relationship with CMA CGM

- GSL's primary charterer and ship manager
- CMA CGM has a 45% ownership stake in GSL
  - GSL formed in 2007 by CMA CGM as 100% subsidiary to purchase and charter back containerships, with intended spin-off
  - GSL sold to Marathon SPAC (and listed on NYSE) in August 2008, with CMA CGM retaining significant stake
- Originally negotiated charter terms remain in place
  - CMA CGM has fulfilled its charter obligations throughout severe downturn in the industry

(1) As at December 31, 2013

(2) Liner operators in average basket include Maersk, Hapag-Lloyd, APL, CSAV, CCNI and RCL, representing a selection of global, east-west, north-south and niche / intra-regional liner operators of varying sizes. CMA CGM quarterly data only publicly available from Q1 2012

## Stable Platform: Full Contract Coverage and Significant Cashflow Visibility

Fully contracted fleet, with \$900 mm<sup>(1)</sup> contracted revenues  
7.3 years<sup>(1)</sup> weighted average remaining contract coverage, excluding the two spot vessels

	Vessel	Counterparty	TEUs	Built	Charter Rate (\$ / Day) and Duration											
Spot	Ville d'Aquarius	Sea Consortium	4,113	1996	\$7,490											
	Ville d'Orion	Sea Consortium	4,113	1997	\$8,000 <sup>(2)</sup>											
Longer Term Coverage	CMA CGM Matisse	CMA CGM	2,262 Geared	1999	\$18,465	\$15,300 <sup>(3)</sup>										
	CMA CGM Utrillo	CMA CGM	2,262 Geared	1999	\$18,465	\$15,300										
	Delmas Keta	CMA CGM	2,207 Geared	2003	\$18,465											
	Julie Delmas	CMA CGM	2,207 Geared	2002	\$18,465											
	Kumasi	CMA CGM	2,207 Geared	2002	\$18,465											
	Marie Delmas	CMA CGM	2,207 Geared	2002	\$18,465											
	CMA CGM La Tour	CMA CGM	2,272 Geared	2001	\$18,465	\$15,300 <sup>(3)</sup>										
	CMA CGM Manet	CMA CGM	2,272 Geared	2001	\$18,465	\$15,300										
	CMA CGM Alcazar	CMA CGM	5,089	2007	\$33,750											
	CMA CGM Chateau d'If	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											
			YEAR	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025

(1) As at June 30, 2014

(2) Charter of minimum six months / maximum 12 months, from July 17, 2014

(3) Charters extended through 2019

## Strategy Going Forward

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### Charter Strategy and Operational Risk Management

- Maintain quality fleet with primary focus on longer-term charters to established counterparties
- Contractual protections, comprehensive insurance, no fuel risk, limited FX risk

### Diversification of Lessees

- Selectively diversify charter portfolio to additional liner operators
- Capitalize on cyclically low asset values to prudently grow business on accretive basis:
  - Structured, charter-attached transactions (e.g. sale and leasebacks)
  - Opportunistic purchase of selected assets, subject to charter coverage

### Enhancing the Capital Structure

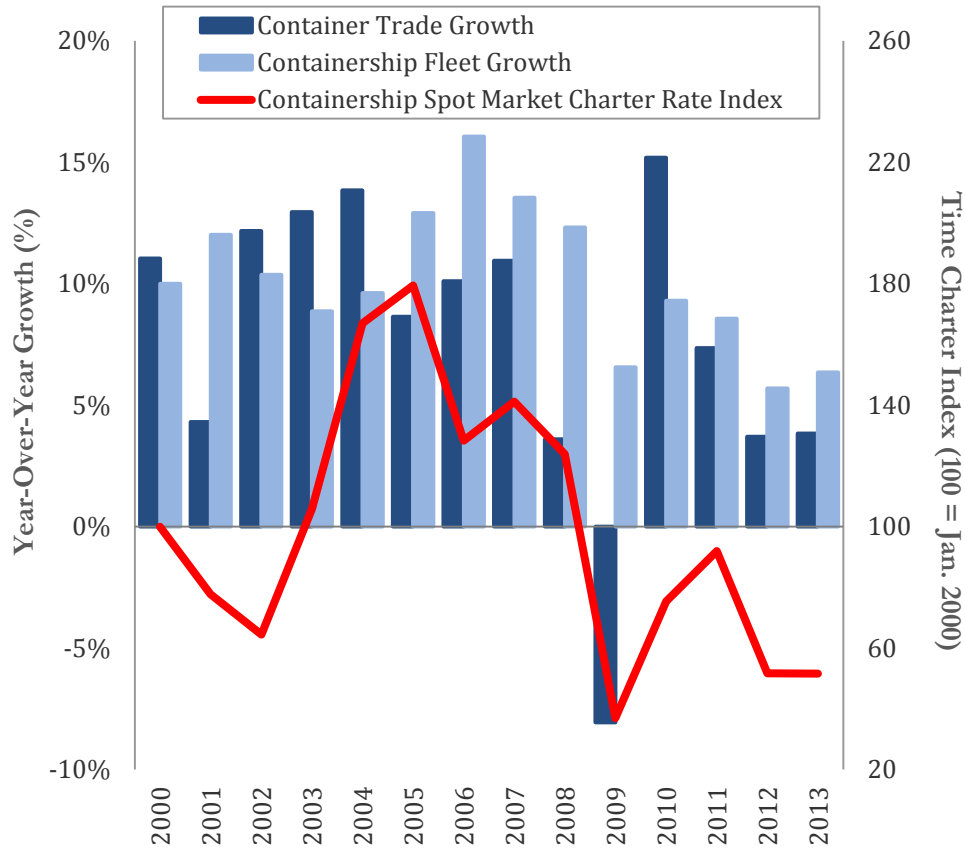
- Proven access to US debt capital markets enables opportunistic improvements to capital structure:
  - \$420mm bond offering with maturity in April 2019 removes restrictive LTV covenant
  - \$40mm revolver provides added immediate liquidity
  - Recent \$35mm Series B Perpetual Preferred offering enabled repurchase of existing short-term debt at a discount to liquidation value without diluting equity
- Access to multiple sources of capital strengthens balance sheet and ability to fund accretive acquisitions

### Accretive Capital Allocation

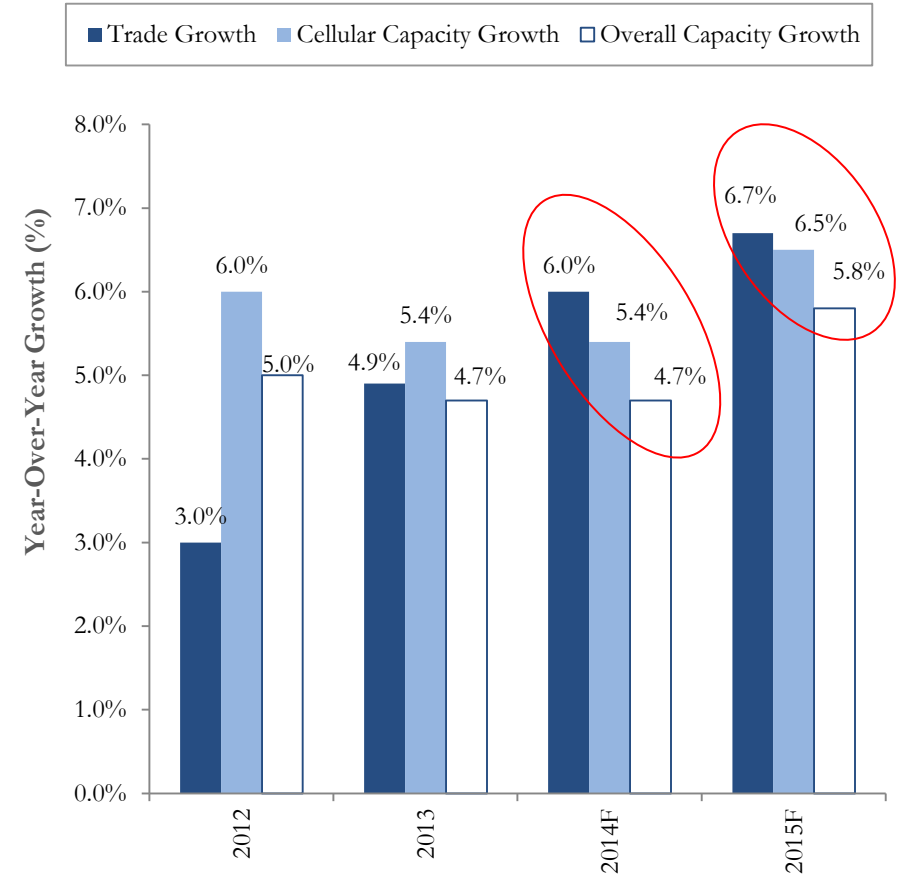
- Flexibility to pursue an accretive capital allocation strategy
- Weigh importance of near-term dividend against opportunity to make accretive investments and build an increased, sustainable dividend capacity
- Business model and strong growth prospects support a sustainable dividend over time

# Supply and Demand Fundamentals Shape Spot Market Charter Rates and Asset Values

## Industry Fundamentals Shape Spot Charter Market<sup>1</sup>



## Outlook for Fundamentals is Improving<sup>2</sup>



Our business model, based on term charter coverage, has insulated GSL from a challenging spot charter market

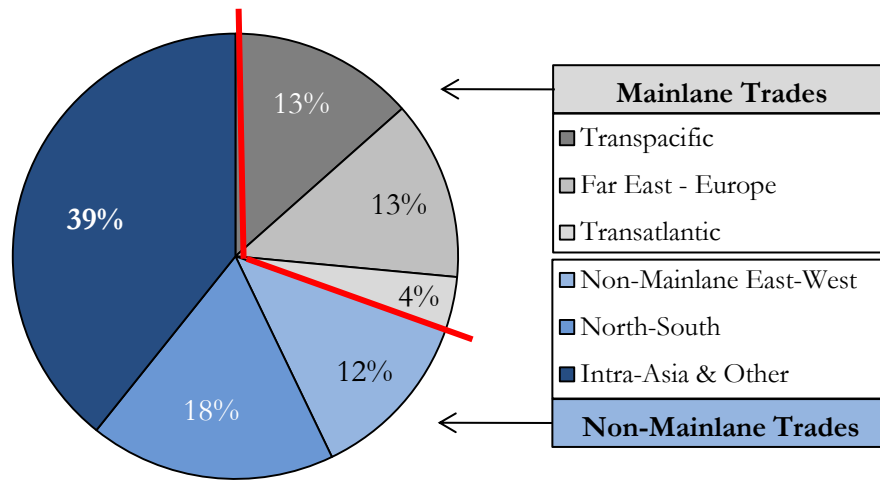
Relationship between industry fundamentals of demand growth and supply growth is forecast to improve

(1) Source: MSI. Note: rate index is based on weighted average spot market rates from seven fleet segments; 2000 = 100

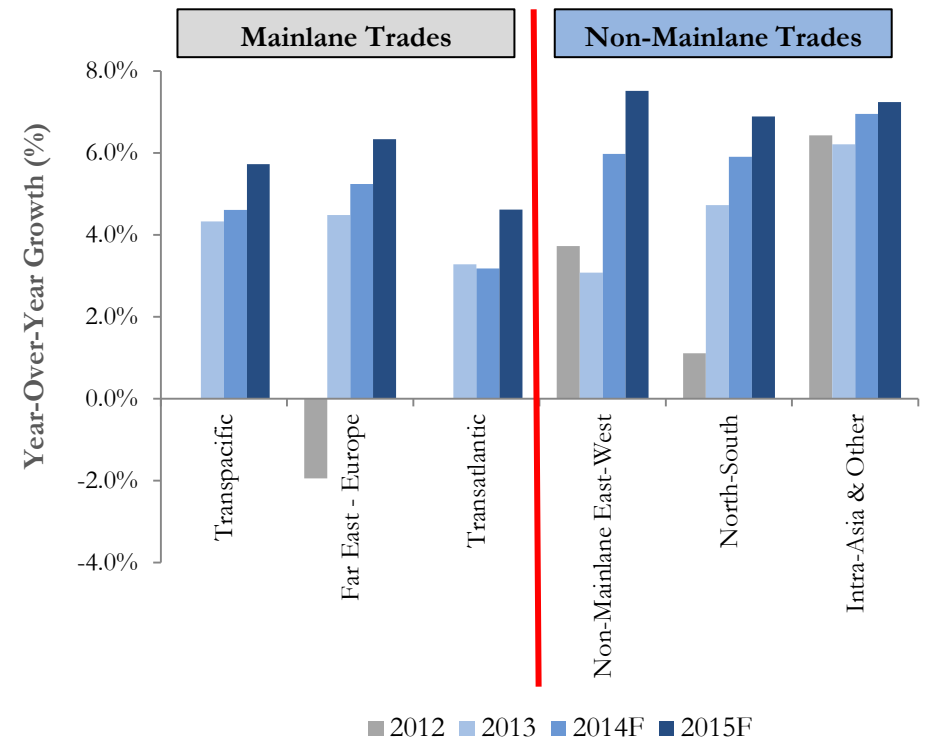
(2) Source: Clarksons

# Mid-Sized & Smaller Ships Provide Most Favorable Mid-Term Opportunities

Composition of Global Containerized Trade, 2013<sup>1</sup>



Growth by Tradelane<sup>1</sup>

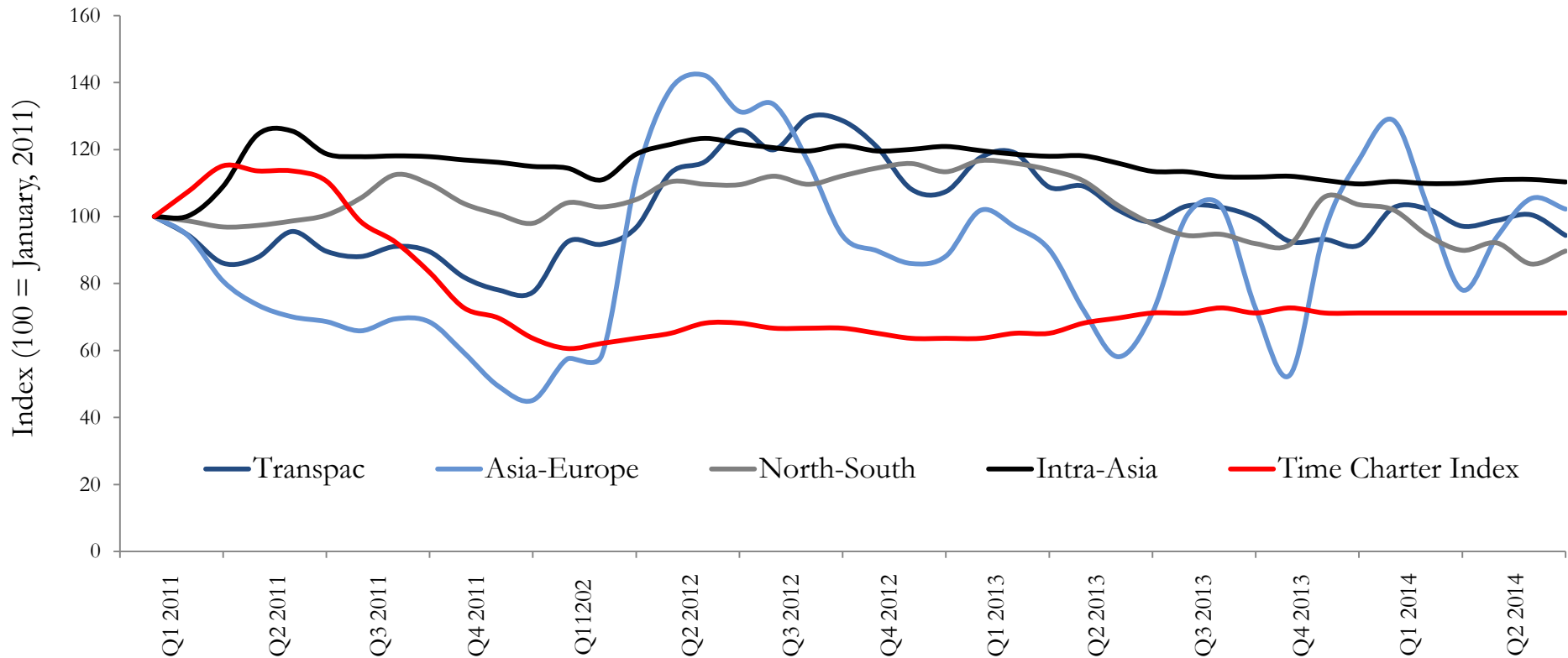


- Non-Mainlane trades collectively represent almost 70% of global containerized volumes and are predominantly served by mid-size and smaller tonnage
- Ordering activity remains heavily weighted towards larger tonnage, primarily focused on Mainlane trades
- Scrapping activity is accelerating with continuing distress in the German KG environment; all tonnage scrapped to date has been mid-size and smaller tonnage
- We see attractive, counter-cyclical investment opportunities in mid-size and smaller tonnage

(1) Source: Clarksons

# Freight Rates Remain Volatile

Freight Rate Indices by Tradelane v. Charter Rates<sup>1</sup>



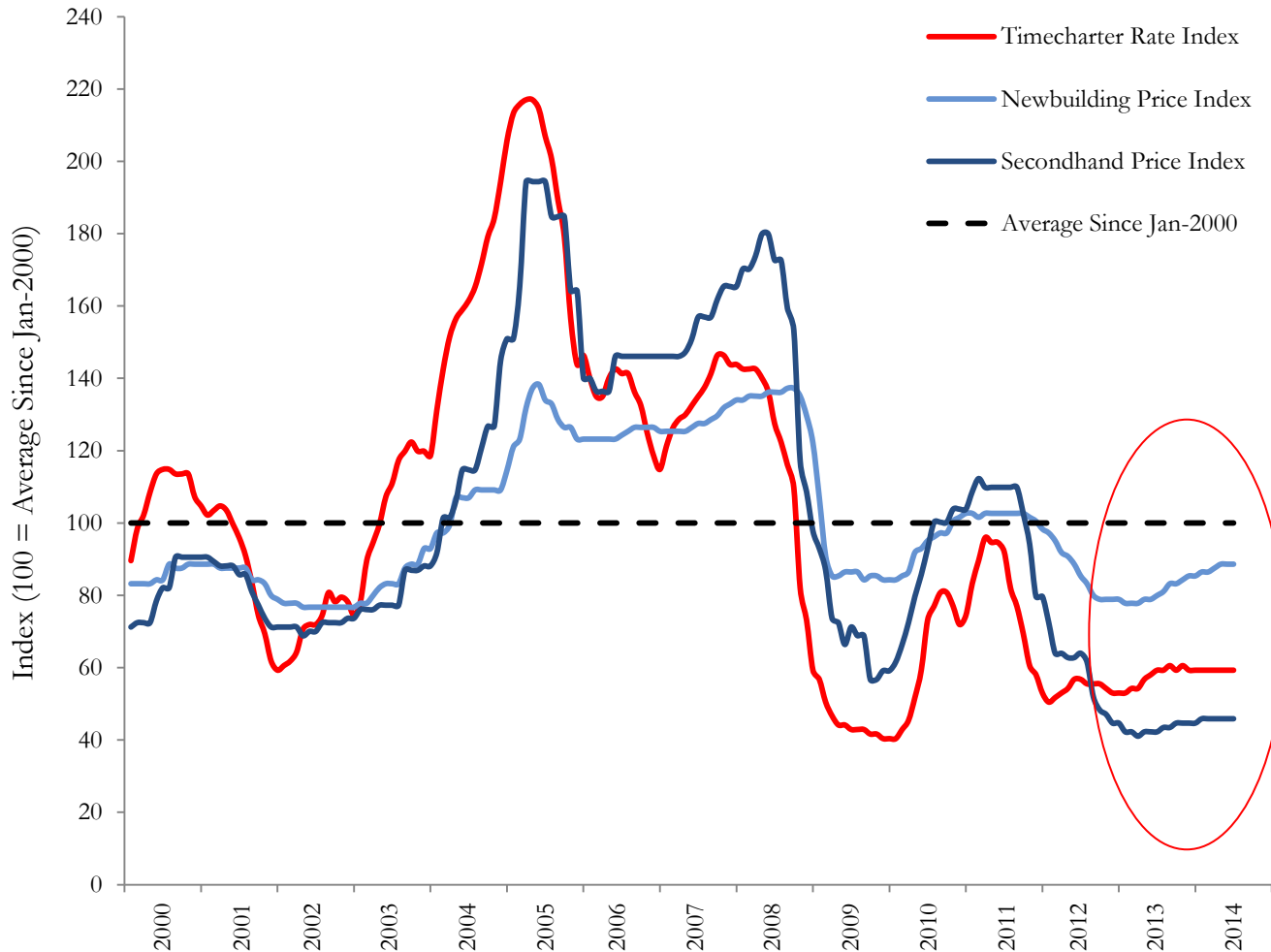
- Freight markets have remained volatile
  - Liner companies have continued to implement General Rate Increases periodically: results have tended to be favorable, but short-lived
- Liners are pursuing consolidation, through mergers and alliances, to reduce costs and improve operational efficiencies

(1) Source: Clarksons

# Market Opportunity: Spot Rates Under Pressure but Asset Prices at Attractive Levels

## Spot Market Charter Rates, Secondhand Prices & Newbuilding Prices<sup>1</sup>

## Commentary



- Newbuilding prices below long-term averages but on slight upward trajectory
- Spot market charter rates remain under pressure in most segments
- Secondhand asset values closely correlated with spot market charter rates
- We remain tightly focused on profitably deploying our investment capacity
  - Attractive opportunities
  - Targeting immediately accretive transactions
  - Competitive environment
  - Disciplined approach

(1) Source: Clarksons

## Expert and Majority Independent Board

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**Michael Gross**  
*Chairman*

- Chairman, CEO and President of Solar Capital and Solar Senior Capital
- Chairman and CEO of Marathon Acquisition Corp., 2006-2008
- Senior Partner of Apollo Management LP, 1990-2006; President and CEO of Apollo Investment Corp 2004-2006

**Howard Boyd**  
*Director/Independent*

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

**Angus Frew**  
*Director/Independent*

- Secretary General of BIMCO, 2013-Date
- Chief Executive of the British Chamber of Shipping, 2009-2013
- President and CEO GE SeaCo SRL, 2003-2008
- SVP of container division and officer of GE Sea Containers Ltd, 2003-2005
- Senior management roles in Grand Met, Diageo, and Seagrams, 1990-2002

**Guy Morel**  
*Director/Independent*

- General Secretary of Intermanager, the international assoc of ship managers, 2007-2010
- 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

**Alain Wils**  
*Director/Independent*

- Senior management positions at CMA CGM from 1996 until retirement in 2008, including executive board member
- Chairman and CEO of Sceta International, renamed Geodis International, 1992-1996
- Senior management roles at Delmas Vieljeux 1982-1992 having joined in 1971

**John van de Merwe**  
*Director/Independent*

- Independent consultant to maritime, transportation and logistics industries
- President/CEO of CMA CGM North America 2000-2006
- Various roles at Sea-land Services 1972-2000 lastly as Division Head for Asia/Middle East/Europe

## Experienced Management Team

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Ian J. Webber  
*Chief Executive Officer*

- CP Ships, 1996-2006: CFO and Director
  - Public company traded on NYSE and TSE
  - Sold to Hapag-Lloyd in 2005 for \$2.3 billion
- PriceWaterhouse, 1979-1996: Partner, 1991-1996

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

Thomas A. Lister  
*Chief Commercial Officer*

- DVB Bank, 2005-2007: 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

Vivek Puri  
*Chief Technical Officer*

- Senior Vice President and Chief Technical Officer for British Marine PLC UK, prior to joining GSL in 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 Wallem Group

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# Appendix



GLOBAL SHIP LEASE

## Benefits of New 10.000% First Priority Secured Notes Due 2019

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<b>Guarantors</b>	Each of the Company's 17 vessel-owning subsidiaries and Global Ship Lease Services Limited
<b>Collateral</b>	First priority ship mortgages on 17 vessels, share pledges on vessel-owning subsidiaries, assignments of existing charters, insurances, freights and hires and pledge of earnings accounts
<b>Maturity</b>	Five years - maturing April 1, 2019
<b>Use of Proceeds</b>	Repay all outstanding obligations related to existing credit facility, including interest rate swaps



- Increased financial flexibility by eliminating restrictive maintenance covenants
- Established capacity to build shareholder value by making accretive acquisitions at cyclically low asset values
- Gained ability to consider paying dividends, subject to certain limitations
- Success accessing public credit markets, while private bank debt remains constrained
- New \$40 million revolver for immediate additional investment capacity

## New Capital Structure Enhances Prospects for Value Generation

### Contrasting Key Elements of the Old Credit Facility with the New Notes

	Old Credit Facility	New Notes
Growth	Not possible	Possible
Dividends	Not possible	Possible, subject to certain limitations
PF Secured Debt at December 31, 2013	\$387.7 mm <sup>1</sup>	\$420.0 mm + \$40.0 mm RCF (undrawn)
PF2013 Interest Cost on Secured Debt	\$31.8 mm <sup>2</sup>	\$42.0 mm <sup>3</sup>
PF2013 Amortization of Secured Debt	\$59.3 mm	Max. \$20.0 mm per year, on basis of tender offer to bondholders
PF2013 Total Secured Debt Service	\$91.1 mm	\$42.0 - \$62.0 mm <sup>3</sup>
Countercyclical Investments	Not possible	Possible
Use of Proceeds from Asset Sales	Swept to pay down debt	Scope for reinvestment, subject to tender offer to bondholders
Refinancing Risk in 2016	Judged to be significant, assuming continued constraints on fleet and charter portfolio expansion	Pushed back to 2019, with immediate opportunities for accretive growth in meantime
Covenants	Maintenance (e.g. LTV)	Incurrence

(1) \$366.4 mm of debt under the Credit Facility plus \$21.3 mm (fair value as at December 31, 2013) of secured interest rate swaps

(2) Including settlement of interest rate swaps in the year ended December 31, 2013

(3) Excluding commitment fees and interest on new \$40 million revolver