Global Ship Lease Reports Results for the Fourth Quarter of 2011

LONDON, March 14, 2012 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months and year ended December 31, 2011.

Fourth Quarter and Year To Date Highlights

- Reported revenue of $39.7 million for the fourth quarter 2011, down from $40.0 million for the fourth quarter 2010 due mainly to 12 days offhire in the fourth quarter 2011 of which seven were for a planned drydocking. Revenue for the year ended December 31, 2011 was $156.3 million compared to $158.8 million for the year ended December 31, 2010 due to 106 days offhire in 2011, of which 95 were for planned drydockings, compared to a total of three days unplanned offhire in 2010

- Reported net income of $10.9 million for the fourth quarter 2011, after a $4.0 million non-cash interest rate derivative mark-to-market gain. For the fourth quarter 2010 the reported net income was $1.2 million, after a $17.1 million impairment charge relating to purchase commitments on two vessels and $11.7 million non-cash mark-to-market gain. Excluding the mark-to-market items, normalized net income(1) was $6.8 million for the fourth quarter 2011 compared to $6.6 million for the fourth quarter 2010

- For the year ended December 31, 2011, net income was $9.1 million, after a $13.6 million non-cash impairment charge relating to the expiry of purchase options on two vessels and a $0.9 million non-cash mark-to-market loss. The net loss of $4.0 million for the year ended December 31, 2010 was after $17.1 million impairment charge and a mark-to-market loss of $15.3 million. Normalized net income for the year ended December 31, 2011 was $23.6 million compared to $28.4 million for the year ended December 31, 2010

- Generated $26.6 million of EBITDA(1) for the fourth quarter 2011, up slightly on $26.4 million for the fourth quarter 2010. EBITDA for the year ended December 31, 2011 was $103.7 million, compared to $108.9 million for the year ended December 31, 2010 due mainly to six planned drydockings in 2011 compared to none in 2010 and increased crew costs

- Repaid $15.3 million in debt during the fourth quarter of 2011; repaid $49.2 million in 2011 and $115.5 million since August 2009

- Agreed with lenders to waive, until November 30, 2012, the requirement under the credit facility to perform loan-to-value tests

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "During 2011, we generated sizeable and stable cash flows while continuing to focus on improving our financial position. Our fleet of vessels performed as expected, maintaining high utilization and generating EBITDA of $103.7 million for the full year. We continued to strengthen our balance sheet for the long-term benefit of Global Ship Lease and its shareholders, repaying $49.2 million of debt in 2011 and $115.5 million since August 2009. As we progress through 2012, we remain well positioned as a result of our long-term fixed rate contracts. We have no purchase obligations and will continue to pay down debt."

Mr. Webber continued, "During the fourth quarter, we worked with our lenders and drew on the strength of our business model, which generates predictable and stable cash flows, to waive our loan-to-value test until November 30, 2012. This success insulates the Company and its shareholders from near-term volatility in asset values. Importantly, our long-term time charters which have an average remaining duration on a weighted basis of over eight years representing contracted revenue of $1.2 billion, remain unaffected by asset values and the loan-to-value ratio."

SELECTED FINANCIAL DATA — UNAUDITED

(thousands of U.S. dollars)

	Three months ended	Three months ended	**Year ended**	Year ended

	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Revenue	**39,714**	40,035	**156,268**	158,837
Operating Income	**16,503**	(773)	**49,927**	51,773
Net Income (Loss)	**10,860**	1,226	**9,071**	(3,971)
EBITDA (1)	**26,579**	26,405	**103,703**	108,906
Normalised Net Income (1)	**6,811**	6,598	**23,597**	28,433

(1) 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 fixed rate long-term time charters of $39.7 million in the three months ended December 31, 2011, down $0.3 million on revenue of $40.0 million for the comparative period in 2010 due to 12 days offhire including seven for the planned drydocking of one vessel, which spanned the year end. During the three months ended December 31, 2011, there were 1,564 ownership days, the same as the comparable period in 2010. The 12 days offhire in the three months ended December 31, 2011, gives a utilization of 99.2%. In the comparable period of 2010, there was one day offhire, for utilization of 99.9%.

For the year ended December 31, 2011, revenue was $156.3 million, down $2.5 million on revenue of $158.8 million in the comparative period, mainly due to the effect of 106 days offhire including 95 days for planned drydockings.

The table below shows fleet utilization for the three months and years ended December 31, 2011 and 2010 and for the year ended December 31, 2009.

	Three months ended		Year ended		
Days	Dec 31, 2011	Dec 31, 2010	Dec 31, 2011	Dec 31, 2010	Dec 31, 2009
Ownership days	1,564	1,564	6,205	6,205	5,968
Planned offhire - scheduled drydock	(7)	0	(95)	0	(32)
Unplanned offhire	(5)	(1)	(11)	(3)	(42)
Operating days	1,552	1,563	4,547	4,639	5,894
Utilization	99.2%	99.9%	98.3%	99.9%	98.8%

The drydocking of six vessels had been completed by December 31, 2011. The drydocking of one further vessel commenced late December 2011 and was completed early January 2012. In 2012, six further vessels are scheduled to be drydocked. Two drydockings are scheduled for each of 2013 and 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 December 31, 2011. The average cost per ownership day was $7,333 up $11 or 0.2% on $7,322 for the rolling four quarters ended September 30, 2011. Increased lubricating oil costs from unit cost increases in the three months ended December 31, 2011 have been offset by savings elsewhere and a benefit during the quarter from exchange rate movements on the portion of crew costs denominated in euros. The fourth quarter 2011 average daily cost was up $55 or 0.8% from the average daily cost of $7,278 for the comparative period in 2010 due to higher lubricating oil and crew costs offset by a reduction in the cost of supplies which were unusually high in the comparative period due to the phasing of purchases.

For the year ended December 31, 2011, vessel operating expenses were $45.5 million or an average of $7,336 per day compared to $42.1 million in the comparative period or $6,780 per day. The increase of $556 per day, or 8.2%, is mostly for increased crew wages, including an adverse effect from exchange rate movements, increased lubricating oil costs and for costs associated with drydockings that cannot be capitalized.

Depreciation

Depreciation of $10.1 million for the three months ended December 31, 2011 was the same as in the comparative period in 2010 as there were no changes to the fleet.

Depreciation for the year ended December 31, 2011 was $40.1 million, the same as in the comparative period.

General and Administrative Costs

General and administrative costs incurred were $1.8 million in the three months ended December 31, 2011, compared to $2.4 million in the fourth quarter of 2010 due to reduced legal and professional fees.

For the year ended December 31, 2011, general and administrative costs were $7.4 million compared to $8.3 million for 2010. The reduction is due to a fall in the charge for stock based compensation which was $0.6 million in 2011 and $1.0 million in 2010 and for lower legal and professional fees.

Impairment charge

In November 2010, the Company signed agreements with the sellers of two 4,250 TEU newbuildings to (i) terminate the Company's obligations under contracts entered into in September 2008 to purchase the vessels on their delivery to the sellers by the builder, which was anticipated to be at the end of 2010 and (ii) grant the Company options to purchase the vessels on the first anniversary of their delivery by the builder to the sellers. Under US GAAP, an impairment charge totalling $17.1 million was recognized in the three months ended December 31, 2010 comprised of $15.5 million released deposits not including interest earned, $1.3 million interest capitalized thereon and $0.3 million other predelivery capital expenditure.

The purchase of these vessels was always predicated on achieving a strong return for shareholders by acquiring the vessels, which had time charters attached, at an attractive price and with financing on favorable terms. As the Company considered it unlikely that it would be able to obtain committed finance on acceptable terms before the expiry of the options on September 16, 2011 for one vessel and October 4, 2011 for the other, intangible assets totaling $13.6 million relating to these options were written off in the second quarter 2011. Both purchase options were allowed to expire.

Other operating income

Other operating income in the three months ended December 31, 2011 was $0.1 million, compared to $0.2 million in the fourth quarter of 2010 period.

For the year ended December 31, 2011, other operating income was $0.3 million, compared to $0.4 million for the prior year.

EBITDA

As a result of the above, EBITDA was $26.6 million for the three months ended December 31, 2011 up slightly from $26.4 million for the three months ended December 31, 2010.

EBITDA for the year ended December 31, 2011 was $103.7 million compared to $108.9 million in 2010. The reduction of $5.2 million, or 4.8%, is mainly due to loss of revenue during drydockings, increased crew costs from wage increases and costs associated with the drydockings.

Interest Expense

Interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, for the three months ended December 31, 2011 was $5.1 million. The Company's borrowings under its credit facility averaged $499.0 million during the three months ended December 31, 2011. There were $48.0 million preferred shares throughout the period giving total average borrowings through the three months ended December 31, 2011 of $547.0 million. Interest expense in the comparative period in 2010 was $6.0 million on average borrowings, including the preferred shares, of $595.6 million.

For the year ended December 31, 2011, interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, was $20.6 million. The Company's borrowings under its credit facility averaged $562.8 million during 2011, including $48.0 million preferred shares throughout the period. Interest expense for the year ended December 31, 2010 was $23.8 million based on average borrowings in that year, including the preferred shares, of $615.7 million.

Interest income for the three months and years ended December 31, 2011 and 2010 was not material.

Change in Fair Value of Financial Instruments

The Company hedges its interest rate exposure by entering into derivatives that swap floating rate debt for fixed rate debt to provide long-term stability and predictability to cash flows. As these hedges do not qualify for hedge accounting under US GAAP, the outstanding hedges are 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 gave a realized loss of $4.8 million in the three months ended December 31, 2011 for settlements of swaps in the period, as current LIBOR rates are lower than the average fixed rates. Further, there was a $4.0 million unrealized gain for revaluation of the balance sheet position given current LIBOR and movements in the forward curve for interest rates. This compares to a realized loss of $4.3 million in the three months ended December 31, 2010 and an unrealized gain of $11.7 million.

For the year ended December 31, 2011, the realized loss from hedges was $19.4 million and the unrealized loss was $0.9 million. This compares to a realized loss in the year ended December 31, 2010 of $16.7 million and an unrealized loss of $15.3 million.

At December 31, 2011, interest rate derivatives totaled $580.0 million against floating rate debt of $531.6 million, including the preferred shares. As a consequence, the Company is over hedged which arises from accelerated amortization of the credit facility debt and not incurring additional floating rate debt anticipated to be drawn in connection with the originally intended purchases of the two 4,250 TEU vessels at the end of 2010. $253.0 million of the interest rate derivatives at a fixed rate of 3.40% expire mid March 2013. The total mark-to-market unrealized loss recognized as a liability on the balance sheet at December 31, 2011 was $45.3 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 December 31, 2011 was a $0.2 million credit compared to a $0.6 million credit in the fourth quarter of 2010. The credit results from movements in the balance for deferred tax.

Taxation for the year ended December 31, 2011 was a $0.1 million charge, the same as 2010.

Net Income/Loss

Net income for the three months ended December 31, 2011 was $10.9 million after $4.0 million non-cash interest rate derivative mark-to-market gain. For the three months ended December 31, 2010 net income was $1.2 million, after $17.1 million non-cash impairment charge and $11.7 million non-cash interest rate derivative mark-to-market gain. Normalized net income, excluding the effect of the non-cash interest rate derivative mark-to-market gains and impairment charge, was $6.8 million for the three months ended December 31, 2011 and $6.6 million for the three months ended December 31, 2010.

Net income was $9.1 million for the year ended December 31, 2011 after the non-cash impairment charge of $13.6 million and a $0.9 million non-cash interest rate derivative mark-to-market loss. For the year ended December 31, 2010, net loss was $4.0 million after a $17.1 million non-cash impairment charge and a $15.3 million non-cash interest rate derivative mark-to-market loss. Normalized net income was $23.6 million for the year ended December 31, 2011 and $28.4 million for the year ended December 31, 2010.

Credit Facility

The container shipping industry is currently experiencing a significant cyclical downturn. As a consequence, there has been a decline in charter free market values of containerships commencing July 2011. While the Company's stable business model largely insulates it from volatility in the freight and charter markets, a covenant in the credit facility with respect to the Leverage Ratio, which is the ratio of outstanding drawings under the credit facility and the aggregate charter free market value of the secured vessels, causes the Company to be sensitive to significant declines in vessel values. Under the terms of the credit facility, the Leverage Ratio cannot exceed 75%. The Leverage Ratio has little impact on the Company's operating performance as cash flows are largely predictable under its business model.

In anticipation of the scheduled test of the Leverage Ratio as at November 30, 2011 when the Company expected that the Leverage Ratio would be between 75% and 90%, the Company agreed with its lenders to waive the requirement to perform the Leverage Ratio test until November 30, 2012. Under the terms of the waiver, the fixed interest margin to be paid over LIBOR increased to 3.50%, prepayments became based on cash flow rather than a fixed amount of $10 million per quarter, and dividends on common shares cannot be paid.

In the three months ended December 31, 2011, a total of $15.3 million of debt was prepaid leaving a balance outstanding of

$483.6 million.

Dividend

Global Ship Lease is not currently able to pay a dividend on common shares.

Fleet

The following table provides information, as at December 31, 2011, about the on-the-water fleet of 17 vessels chartered to CMA CGM.

Vessel Name	Capacity in TEUs (1)	Year Built	Purchase Date And Charter Commencement	Remaining Charter Term (2) (years)	Daily Charter Rate
Ville d'Orion	4,113	1997	December 2007	1.00	$28,500
Ville d'Aquarius	4,113	1996	December 2007	1.00	$28,500
CMA CGM Matisse	2,262	1999	December 2007	5.00	$18,465
CMA CGM Utrillo	2,262	1999	December 2007	5.00	$18,465
Delmas Keta	2,207	2003	December 2007	6.00	$18,465
Julie Delmas	2,207	2002	December 2007	6.00	$18,465
Kumasi	2,207	2002	December 2007	6.00	$18,465
Marie Delmas	2,207	2002	December 2007	6.00	$18,465
CMA CGM La Tour	2,272	2001	December 2007	5.00	$18,465
CMA CGM Manet	2,272	2001	December 2007	5.00	$18,465
CMA CGM Alcazar	5,089	2007	January 2008	9.00	$33,750
CMA CGM Chateau d'If	5,089	2007	January 2008	9.00	$33,750
CMA CGM Thalassa	11,040	2008	December 2008	14.00	$47,200
CMA CGM Jamaica	4,298	2006	December 2008	11.00	$25,350
CMA CGM Sambhar	4,045	2006	December 2008	11.00	$25,350
CMA CGM America	4,045	2006	December 2008	11.00	$25,350
CMA CGM Berlioz	6,621	2001	August 2009	9.75	$34,000

(1) Twenty-foot Equivalent Units.

(2) Plus or minus 90 days at Charterer's option

Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company's results for the three months ended December 31, 2011 today, Wednesday, March 14, 2012 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: : (866) 966-9439 or (631) 510-7498; Passcode: 55763695

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 Wednesday, March 28, 2012 at (866) 247-4222 or (631) 510-7499. Enter the code 55763695 to access the audio replay. The webcast will also be archived on the Company's website: http://www.globalshiplease.com.

Annual Report on Form 20F

Global Ship Lease, Inc has filed its Annual Report for 2010 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 December 31, 2011 of 7.8 years. All of the current vessels are fixed on long-term charters to CMA CGM with an average remaining term of 7.1 years, or 8.3 years on a weighted basis.

Reconciliation of Non-U.S. GAAP Financial Measures

A. EBITDA

EBITDA represents Net income (loss) before interest income and expense including amortization of deferred finance costs, realized and unrealized gain (loss) on derivatives, income taxes, depreciation, amortization and impairment charges. 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 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. EBITDA is not defined in US GAAP and should not be considered to be an alternate to Net income (loss) or any other financial metric required by such accounting principles.

EBITDA - UNAUDITED

(thousands of U.S. dollars)

		Three months ended Dec 31, 2011	Three months ended Dec 31, 2010	Year ended Dec, 31 2011	Year ended Dec, 31 2010
Net income (loss)		10,860	1,226	9,071	(3,971)
Adjust:	Depreciation	10,076	10,096	40,131	40,051
	Impairment charge	--	17,082	13,645	17,082
	Interest income	(20)	(24)	(56)	(185)
	Interest expense	5,136	5,962	20,564	23,828
	Realized loss on interest rate derivatives	4,788	4,343	19,393	16,727
	Unrealized (gain) loss on interest rate derivatives	(4,049)	(11,710)	881	15,322
	Income tax	(212)	(570)	74	52
EBITDA		26,579	26,405	103,703	108,906

B. Normalized net income

Normalized net income represents Net income (loss) adjusted for the unrealized gain (loss) on derivatives, the accelerated write off of a portion of deferred financing costs and impairment 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 (loss) or any other financial metric required by such accounting principles.

NORMALIZED NET INCOME -   UNAUDITED

(thousands of U.S. dollars)

		Three months ended Dec 31 2011	Three months ended Dec, 31 2010	Year ended Dec, 31 2011	Year Ended Dec, 31 2010
Net income (loss)		10,860	1,226	9,071	(3,971)
Adjust:	Change in value of derivatives	(4,049)	(11,710)	881	15,322
	Impairment charge	--	17,082	13,645	17,082
Normalized net income		6,811	6,598	23,597	28,433

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 future growth of the container shipping industry, including the rates of annual demand and supply growth;
- the financial condition of CMA CGM, our 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 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 crew, number of off-hire days, drydocking and survey requirements 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 its 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 long-term, fixed-rate charters;
- the continued performance of existing long-term, fixed-rate time 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 taxation;
- 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.

Interim Unaudited ConsolidatedStatements of Income

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

	Three months ended December 31,		**Year ended December 31,**	
	2011	**2010**	**2011**	**2010**
Operating Revenues				
Time charter revenue	$ 39,714	$ 40,035	$ 156,268	$ 158,837
Operating Expenses				
Vessel operating expenses	11,470	11,383	45,517	42,067
Depreciation	10,076	10,096	40,131	40,051
General and administrative	1,765	2,410	7,384	8,253
Impairment charge	--	17,082	13,645	17,082
Other operating income	(100)	(163)	(336)	(389)
Total operating expenses	23,211	40,808	106,341	107,064
Operating Income (Loss)	16,503	(773)	49,927	51,773
Non Operating Income (Expense)				
Interest income	20	24	56	185
Interest expense	(5,136)	(5,962)	(20,564)	(23,828)
Realized loss on interest rate derivatives	(4,788)	(4,343)	(19,393)	(16,727)
Unrealized gain (loss) on interest rate derivatives	4,049	11,710	(881)	(15,322)
Income (Loss) before Income Taxes	10,648	656	9,145	(3,919)
Income taxes	212	570	(74)	(52)
Net Income (Loss)	$ 10,860	$ 1,226	$ 9,071	$ (3,971)

Earnings per Share

Weighted average number of Class A common shares outstanding

Basic	47,460,969	47,126,391	47,262,549	46,910,604
Diluted	47,460,969	47,390,171	47,448,012	46,910,604
Net income (loss) in $ per Class A common share				
Basic	$ 0.23	$ 0.03	$ 0.19	$ (0.08)
Diluted	$ 0.23	$ 0.03	$ 0.19	$ (0.08)
Weighted average number of Class B common shares outstanding				
Basic and diluted	7,405,956	7,405,956	7,405,956	7,405,956
Net income (loss) in $ per Class B common share				
Basic and diluted	$ nil	$ nil	$ nil	$ nil

Global Ship Lease, Inc.

Interim Unaudited ConsolidatedBalance Sheets

(Expressed in thousands of U.S. dollars)

	December 31, 2011	December 31, 2010
Assets		
Cash and cash equivalents	$ 25,814	$ 28,360
Restricted cash	3,027	3,027
Accounts receivable	13,911	7,341
Prepaid expenses	726	712
Other receivables	839	264
Deferred tax	19	265
Deferred financing costs	1,168	1,009
Total current assets	45,504	40,978
Vessels in operation	890,249	922,498
Other fixed assets	54	10
Intangible assets — vessel purchase options	--	13,645
Intangible assets - other	92	26
Deferred tax	10	--
Deferred financing costs	3,626	3,865
Total non-current assets	894,031	940,044
Total Assets	$ 939,535	$ 981,022

Liabilities and Stockholders' Equity

Liabilities

Current portion of long term debt	$ 46,000	$ 44,500
Intangible liability — charter agreements	2,119	2,119
Accounts payable	1,286	1,391
Accrued expenses	4,953	5,575
Derivative instruments	15,920	17,798
Total current liabilities	70,278	71,383
Long term debt	437,612	488,269
Preferred shares	48,000	48,000
Intangible liability — charter agreements	20,050	22,169
Derivative instruments	29,395	26,637
Total long-term liabilities	535,057	585,075
Total Liabilities	$ 605,335	$ 656,458
Stockholders' Equity		
Class A Common stock — authorized 214,000,000 shares with a $0.01 par value; 47,463,978 shares issued and outstanding (2010 — 47,130,467)	$ 475	$ 471
Class B Common stock — authorized 20,000,000 shares with a $0.01 par value; 7,405,956 shares issued and outstanding (2010 — 7,405,956)	74	74
Additional paid in capital	351,856	351,295
Accumulated deficit	(18,205)	(27,276)
Total Stockholders' Equity	334,200	324,564
Total Liabilities and Stockholders' Equity	$ 939,535	$ 981,022

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Three months ended December 31,		**Year ended December 31,**	
	2011	**2010**	**2011**	**2010**

Cash Flows from Operating Activities				
Net income (loss)	$ 10,860	$ 1,226	$ 9,071	$ (3,971)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation	10,076	10,096	40,131	40,051
Impairment charge	--	17,082	13,645	17,082
Amortization of deferred financing costs	313	429	1,101	1,106
Change in fair value of certain derivative instruments	(4,049)	(11,710)	881	15,322
Amortization of intangible liability	(530)	(529)	(2,119)	(2,119)
Settlements of hedges which do not qualify for hedge accounting	4,788	4,343	19,393	16,727
Share based compensation	109	131	565	980
Decrease (increase) in other receivables and other assets	(7,365)	982	(6,952)	1,020
Decrease in accounts payable and other liabilities	(3,124)	(505)	(823)	(992)
Unrealized foreign exchange gain	(14)	(10)	(21)	(15)
Net Cash Provided by Operating Activities	11,064	21,535	74,872	85,191
Cash Flows from Investing Activities				
Settlements of hedges which do not qualify for hedge accounting	(4,788)	(4,343)	(19,393)	(16,727)
Cash paid for other fixed assets	(2)	--	(59)	(12)
Cash paid to acquire intangible assets	--	--	(97)	--
Cash paid for purchase of vessels, vessel prepayments and vessel deposits	--	(384)	--	(1,670)
Costs relating to drydockings	(2,666)	--	(7,705)	(164)
Acquisition of vessel purchase options	--	(13,645)	--	(13,645)
Variation in restricted cash	--	16,235	--	--
Net Cash Used in Investing Activities	(7,456)	(2,137)	(27,254)	(32,218)
Cash Flows from Financing Activities				
Repayments of debt	(15,341)	(20,373)	(49,157)	(55,423)
Issuance costs of debt	(1,007)		(1,007)	
Net Cash Used in Financing Activities	(16,348)	(20,373)	(50,164)	(55,423)
Net Decrease in Cash and Cash Equivalents	(12,740)	(975)	(2,546)	(2,450)
Cash and Cash Equivalents at start of Period	38,554	29,335	28,360	30,810
Cash and Cash Equivalents at end of Period	$ 25,814	$ 28,360	$ 25,814	$ 28,360
Supplemental information				
Non cash investing and financing activities				
Total interest paid	$ 4,673	$ 5,563	$ 19,518	$ 22,368
Income tax paid	$ 13	$ 203	$ 144	$ 210

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