



First Ship Lease Trust

Full Year FY2012 Results Presentation



FSL Trust Management Pte. Ltd.
as Trustee-Manager for FSL Trust

www.FSLTrust.com
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Disclaimer



Certain statements in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “plan”, “potential”, “may”, “should”, “expect”, “pending”, and similar expressions identify forward-looking statements.

Forward-looking statements also include statements about our future growth prospects. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding our earnings, our ability to manage concentration and lessee credit risks, our ability to lease out or dispose vessels, our ability to implement our investment strategy, our dependence on credit facilities and new equity from capital markets to execute our investment strategy, the possibility of insufficient insurance to cover losses from inherent operational risks in the industry, lower lease rates from older vessels, our dependence on key personnel, FSL Holdings Pte. Ltd.’s controlling stake in the First Ship Lease Trust (“FSL Trust”), our short operating history, the lack of historical financial history for the Trust, the risk of government requisitions during periods of emergency or war, the possibility of pirate or terrorist attacks, competition in the industry, political instability where the vessels are flagged or operate, and the cyclical nature of the industry and fluctuations in vessel values. For further information, please see the documents and reports that we file with the Singapore Stock Exchange.

FSL Trust may, from time to time, make additional written and oral forward-looking statements, including our reports to unitholders. We do not undertake to update any forward-looking statements that may be made from time to time by or on behalf of FSL Trust.

- **FY2012 Financial Review**
- **FY2012 Focus – Improved Earnings Visibility**
- **Latest Development**
- **Outlook**

FY2012 Results Summary



US\$'000	4QFY12	4QFY11	% Chg	FY2012	FY2011	% Chg
Revenue	24,059	29,575	(18.7)	106,107	110,714	(4.2)
Loss for the quarter/year	(1,554)	(14,732)	(89.5)	(8,387)	(17,066)	(50.9)
Net cash generated from operations	12,294	23,207	(47.0)	47,608	63,846	(25.4)
Amount to be distributed	-	655	(100.0)	654	18,293	(96.4)
Distribution Per Unit (US¢)	-	0.10	(100.0)	0.10	2.95	(96.6)

FY2012 Key Highlights

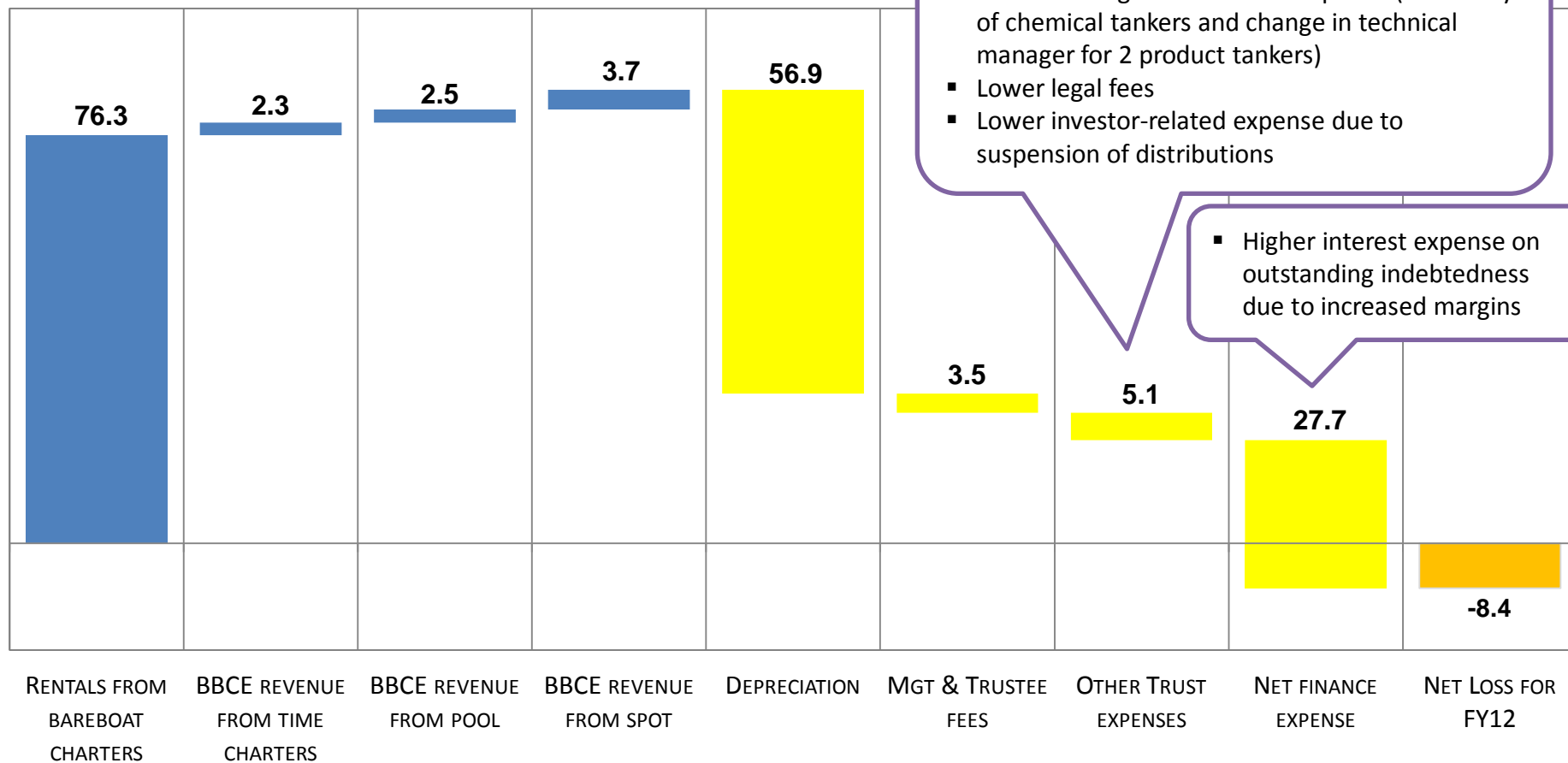


- Flattish revenue of US\$106.1m
 - Successfully redeployed all spot vessels within the year despite tough market
 - *FSL Singapore* and *FSL Hamburg* entered into time charters with Petrobras in May 2012 and August 2012 respectively
 - *FSL London*, *FSL New York* and *FSL Tokyo* commenced trading in 'Nordic Tankers 19,000 Stainless Steel Pool' in 3QFY12
 - Bareboat charter rates for vessels leased to TORM reduced to market variable rates
- Reduced outstanding loan balance by US\$44.0m to US\$435.6m
- Increased cash reserves by US\$5.2m to US\$37.5m
- Cash flow from portfolio sufficient to service principal and interest obligations

FY2012 Income Statement Highlights



US\$ Millions

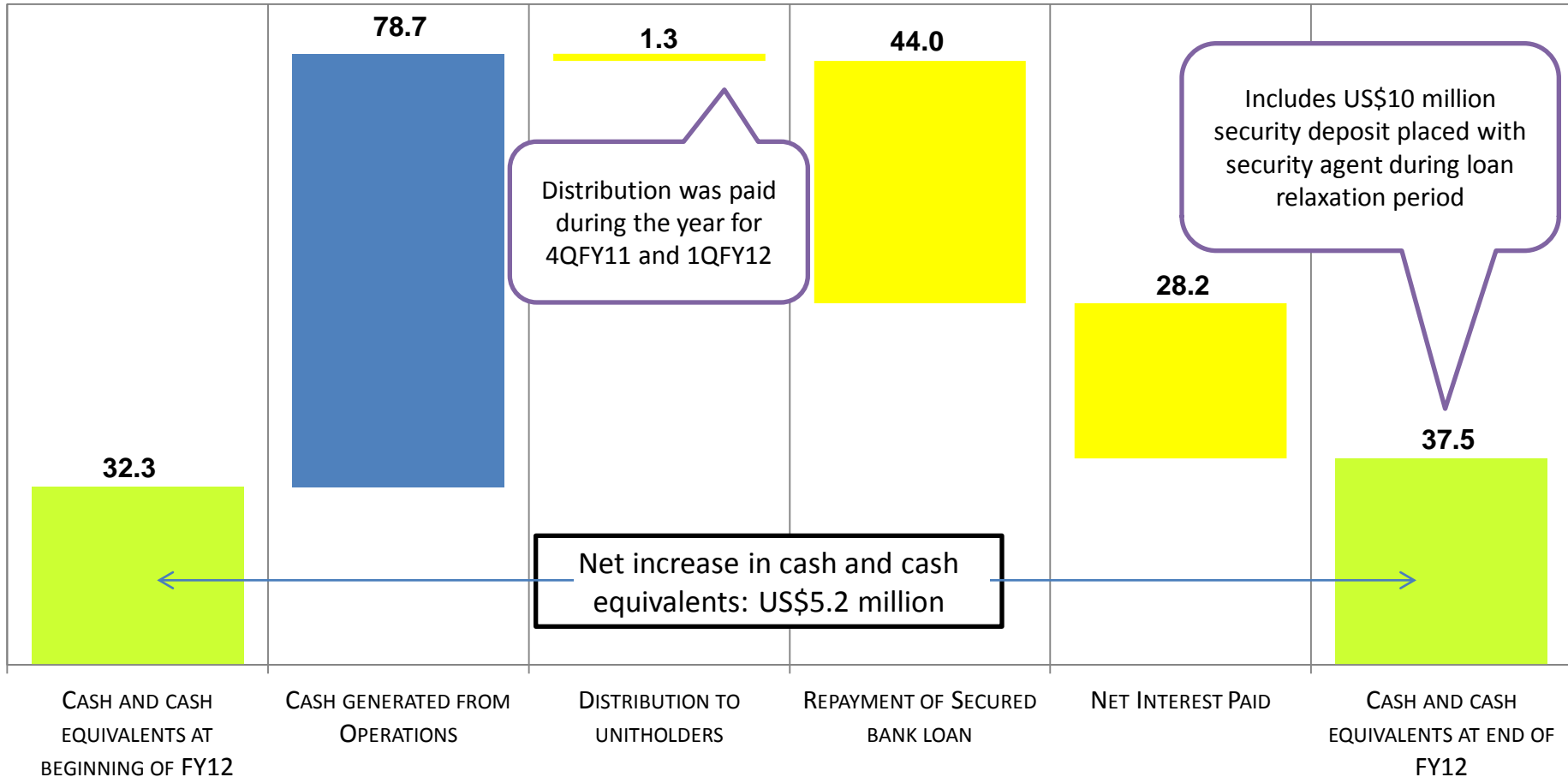


Note: Depreciation expense on dry-docking costs is included in vessel operating expenses in deriving BBCE revenue.

FY2012 Cash Flow Highlights



US\$ Millions



FY2012 Charter Revenue Breakdown



Bareboat charter equivalent (BBCE) revenue declined by 7.9% to US\$84.8 million

US\$'000	FY2012	FY2011	% Chg	
Rentals from vessels on bareboat charter	76,347	89,124	(14.3)	<ul style="list-style-type: none"> Mainly due to payment default by BLT since Feb 2012
BBCE revenue of vessels in:				
- Time charter	2,270	-	N.M.	<ul style="list-style-type: none"> FSL Singapore and FSL Hamburg deployed on three-year time charters with Petrobras @ gross rate of US\$14,000/day
- Pool	2,531	-	N.M.	<ul style="list-style-type: none"> 3 redelivered chemical tankers from BLT entered the 'Nordic Tankers 19,000 Stainless Steel Pool' in 3QFY12
- Spot	3,672	3,012	21.9	<ul style="list-style-type: none"> All vessels on spot moved to longer term arrangements by end 3QFY12
Total bareboat charter /BBCE revenue	84,820	92,136	(7.9)	

Focus on Earnings Visibility



- Trustee-Manager's disciplined approach and wide network have enhanced FSL Trust's revenue visibility and improved its operational profile
 - 5 vessels that were trading in the spot market during the year were deployed on longer term arrangements within a relatively short time frame
- As at 31 December 2012, 22 vessels on secured charters have a dollar-weighted average remaining lease period of approx. 5 years*

* Excluding early buy-out and extension periods.

Vessel Portfolio Updates



- In restructuring discussions with two lessees
- Discussions are in preliminary stages and subject to lenders' approval
- FSL Trust expects the combined outcome of these to have a material impact on revenue from 1QFY13
- However, the Trust will still have financial flexibility to honour all contractual debt repayments



- Conditions remain challenging in this unprecedented shipping down cycle, which we believe is near, if not at the bottom
- Trustee-Manager remains vigilant and committed to steer Trust through this difficult period



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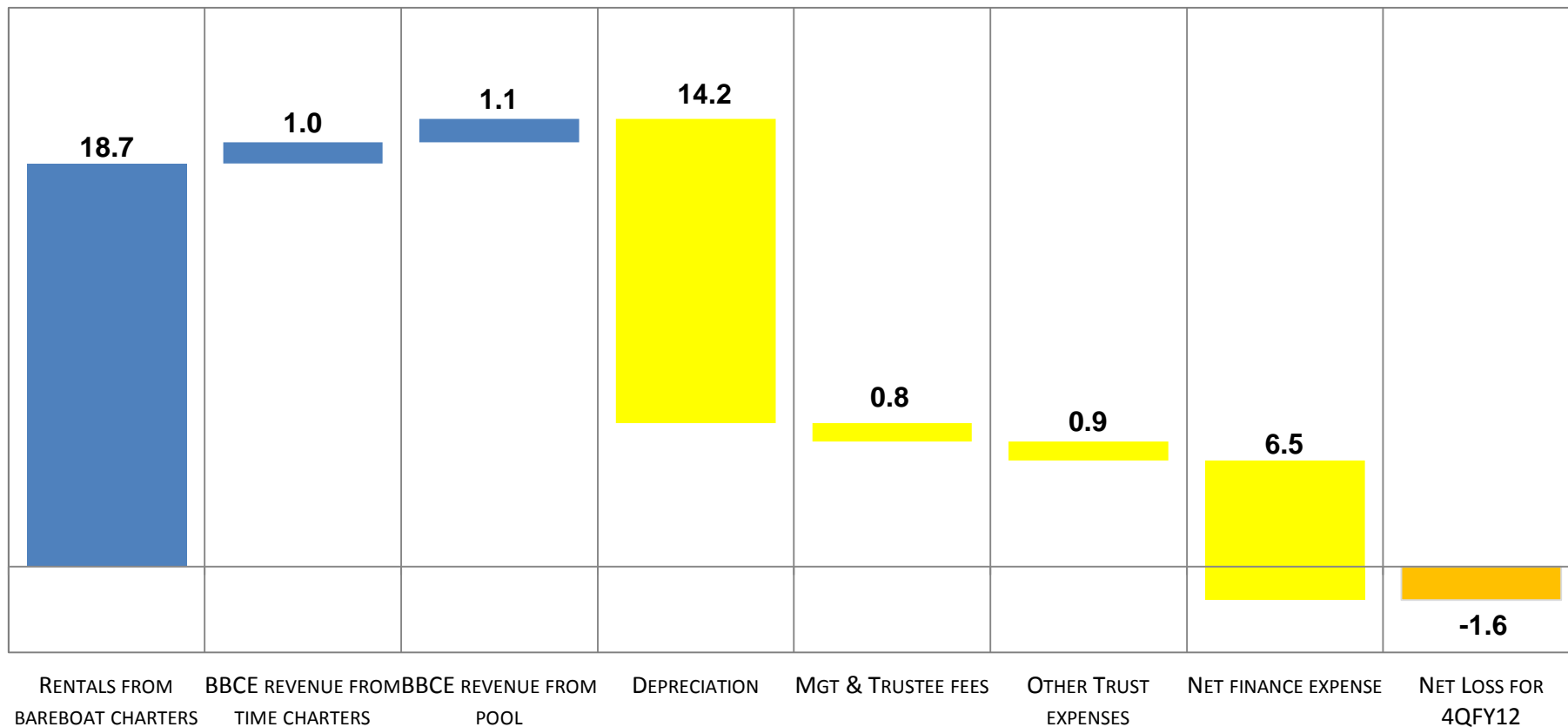
email: jasminezhao@oaktreadvisers.com

Appendix

4QFY12 Income Statement Highlights



US\$ Millions

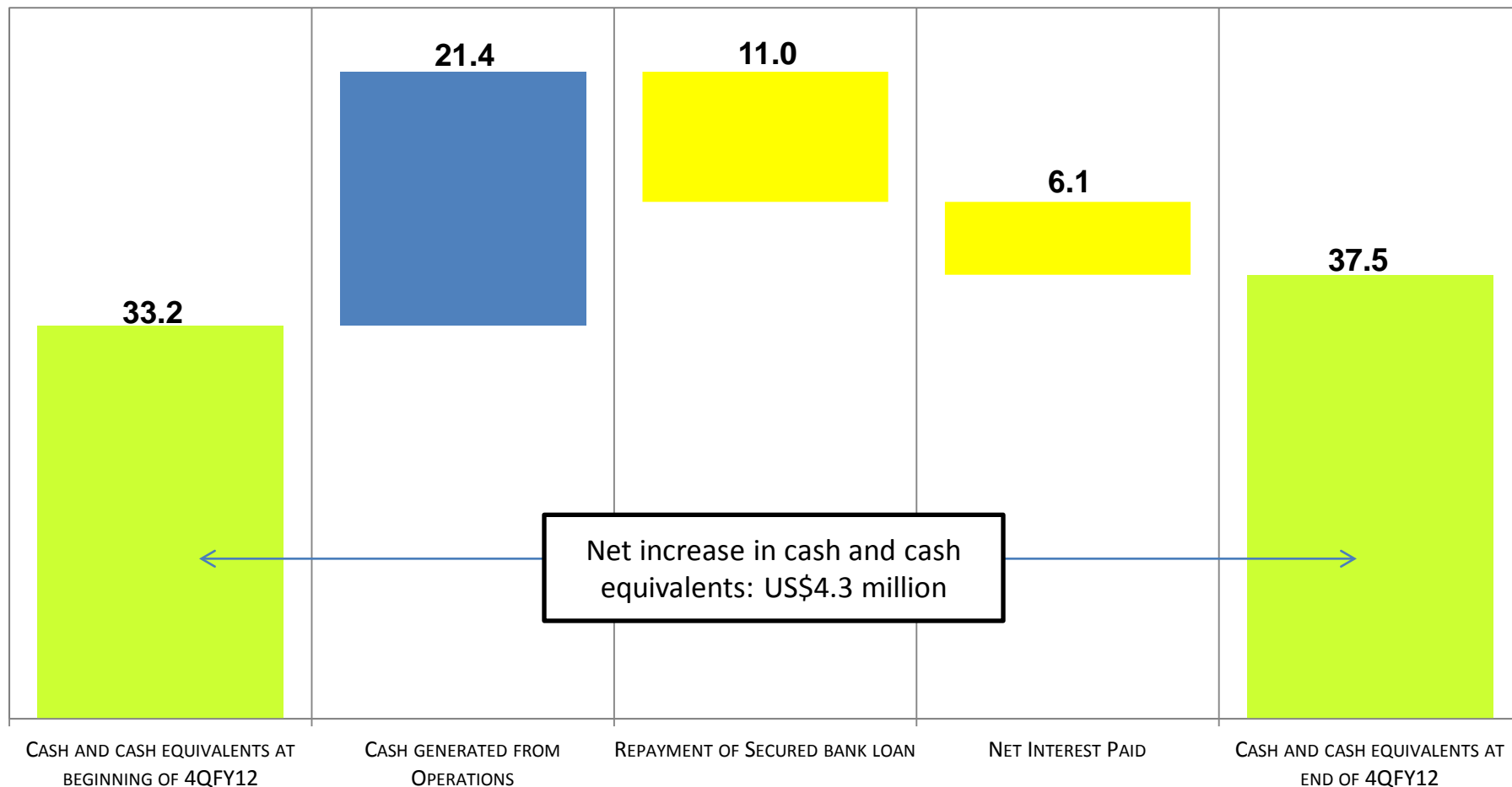


Note: Depreciation expense on dry-docking costs is included in vessel operating expenses in deriving BBCE revenue.

4QFY12 Cash Flow Highlights



US\$ Millions



4QFY12 Revenue by Charter Type



US\$'000	Bareboat charter	Time charter	Pool	Spot	Total
Revenue	18,747	2,442	3,011	(141)	24,059
Less: Voyage and vessel operating expenses	-	(1,462)	(1,917)	147	(3,232)
Total bareboat charter/ BBCE revenue	18,747	980	1,094	6	20,827

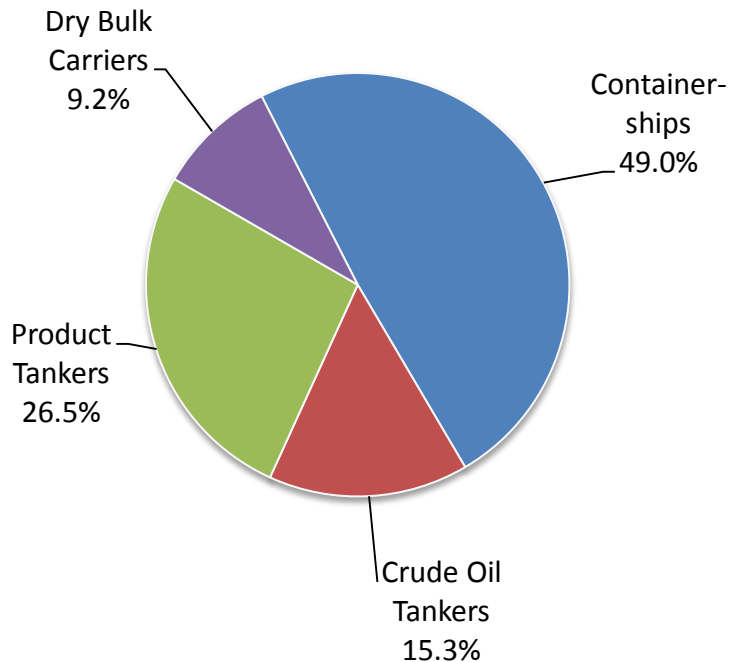
Note: Depreciation expense on dry-docking costs is included in vessel operating expenses in deriving BBCE revenue.

Portfolio by Vessel Type and Lessee



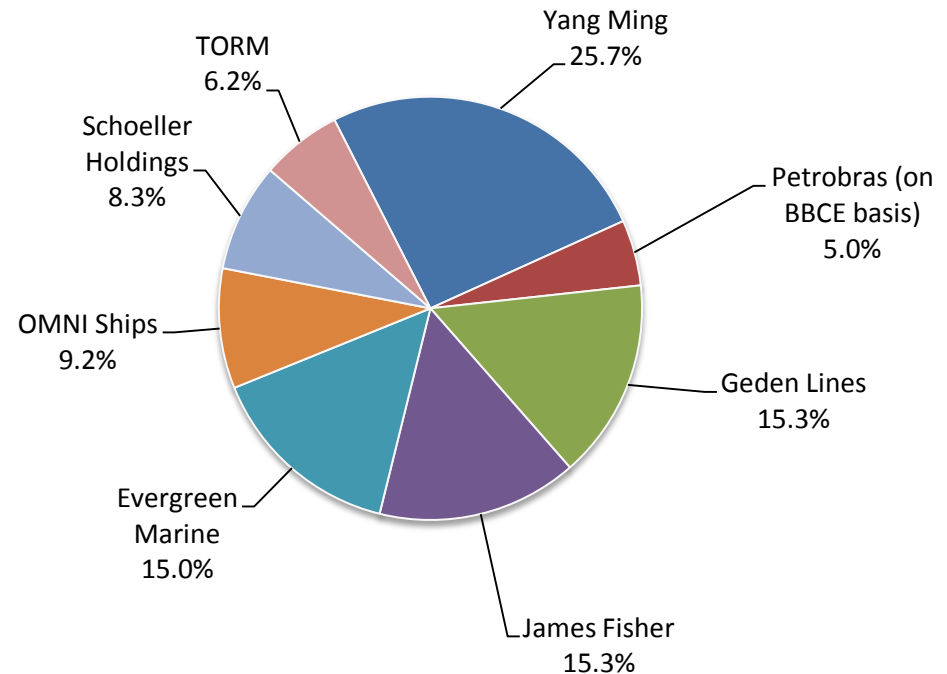
Lease Revenue^ by Vessel Type

(Based on 22 vessels on leases)



Lease Revenue^ by Lessee

(Based on 22 vessels on leases)



^ Based on actual 4QFY12 lease revenue for 20 vessels on bareboat charters and 2 vessels on time charters.

Lease Revenue Backlog



2013

2014

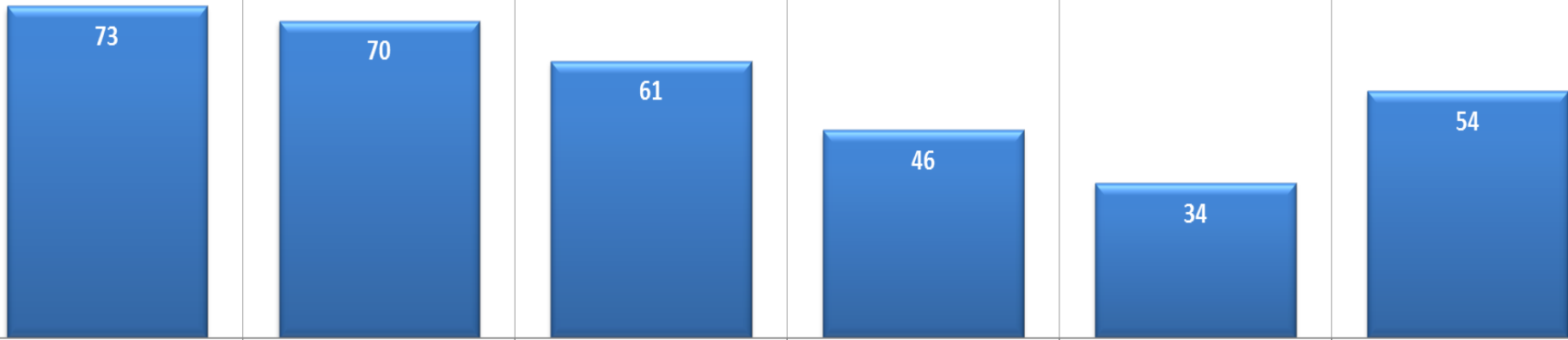
2015

2016

2017

3 Years:
2018 - 2020

US\$284 million*
total remaining contracted bareboat charter equivalent revenue to be generated between 2013 and 2017



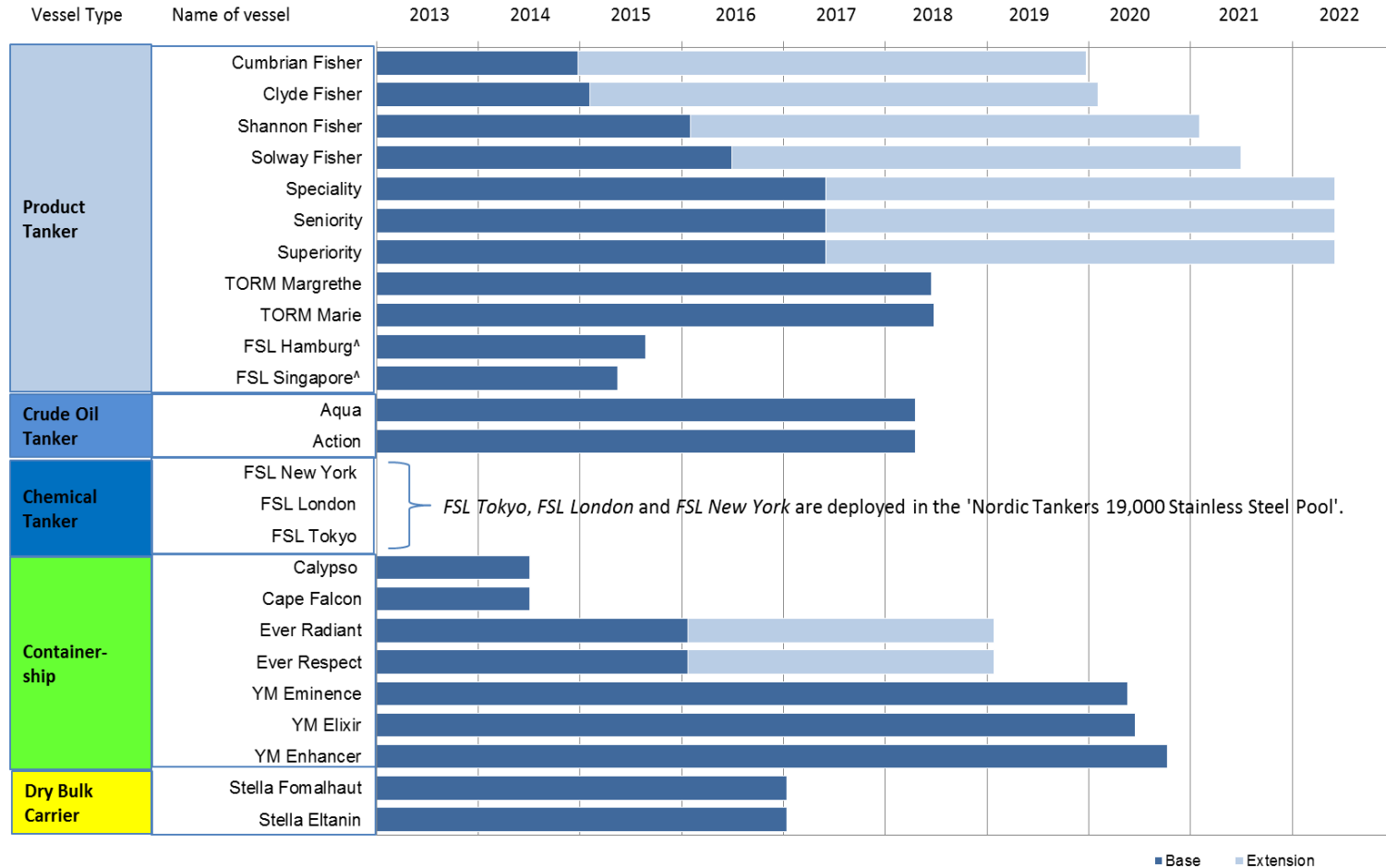
* As at 31 Dec 2012, based on bareboat charter revenue from 18 vessels on long-term bareboat charters (excluding TORM charters which are leased on variable market rates) and estimated BBCE revenue from two vessels on three-year time charters. Excludes extension and early buyout options. Assumes daily lease rental of the two vessels leased to Geden Lines is fixed at US\$16,278 per vessel.

Staggered Lease Maturities



Remaining Lease Term in Years as at 31 Dec 2012

5 years*
Weighted average remaining lease term



* As at 31 Dec 2012, based on the 20 vessels on long-term bareboat charters and two vessels on three-year time charters. Calculated on a dollar-weighted average basis by net book value and excludes extension and early buyout options.

[^] FSL Singapore and FSL Hamburg are deployed on three-year time charters to Petrobras.