



# First Ship Lease Trust

## 1QFY13 Results Presentation



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

[www.FSLTrust.com](http://www.FSLTrust.com)  
23 April 2013

# 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.

- **1QFY13 Financial Review**
- **Vessel Portfolio**
- **Industry Outlook**
- **FSL's Focus: Stay the Course**

# 1QFY13 Results Summary



US\$'000	1QFY13	1QFY12	Inc/(Dec) %
Revenue	23,047	26,081	(11.6)
Results from operating activities	4,754	3,814	24.6
Impairment loss on AFS financial asset	(5,298)	-	N.M.
Loss for the quarter	(7,067)	(4,168)	69.6
Net cash generated from operations	11,675	9,844	18.6
Amount to be distributed	-	654	(100.0)
Distribution Per Unit (US¢)	-	0.10	(100.0)

- **Net loss of US\$7.1 million for 1QFY13**

- Largely due to US\$5.3 million impairment on the TORM shares due to significant decline in share price
- Excluding this, loss narrows to US\$1.8 million

# 1QFY13 Results Summary



- **Operating expenses declined 10.5%**
  - Lower depreciation expenses arising from changes in expected useful life and residual value of vessels leased to TORM and OMNI
  - In the same quarter last year (1QFY12), non-recurring vessel-related expenses of US\$0.8m were incurred for re-delivery of 3 chemical tankers
  
- **Finance expenses lowered by 22.3%**
  - Lower outstanding indebtedness
  - Lower swap interest as some higher priced interest rate swaps were replaced by cheaper swaps
  
- **Continues to pare down loan balance; US\$424.6m as at 31 March 2013**
  - Continues to meet interest and quarterly US\$11.0m principal repayments
  - Cash and cash equivalents stood at US\$37.0m as at 31 March 2013

# 1QFY13 Revenue Breakdown



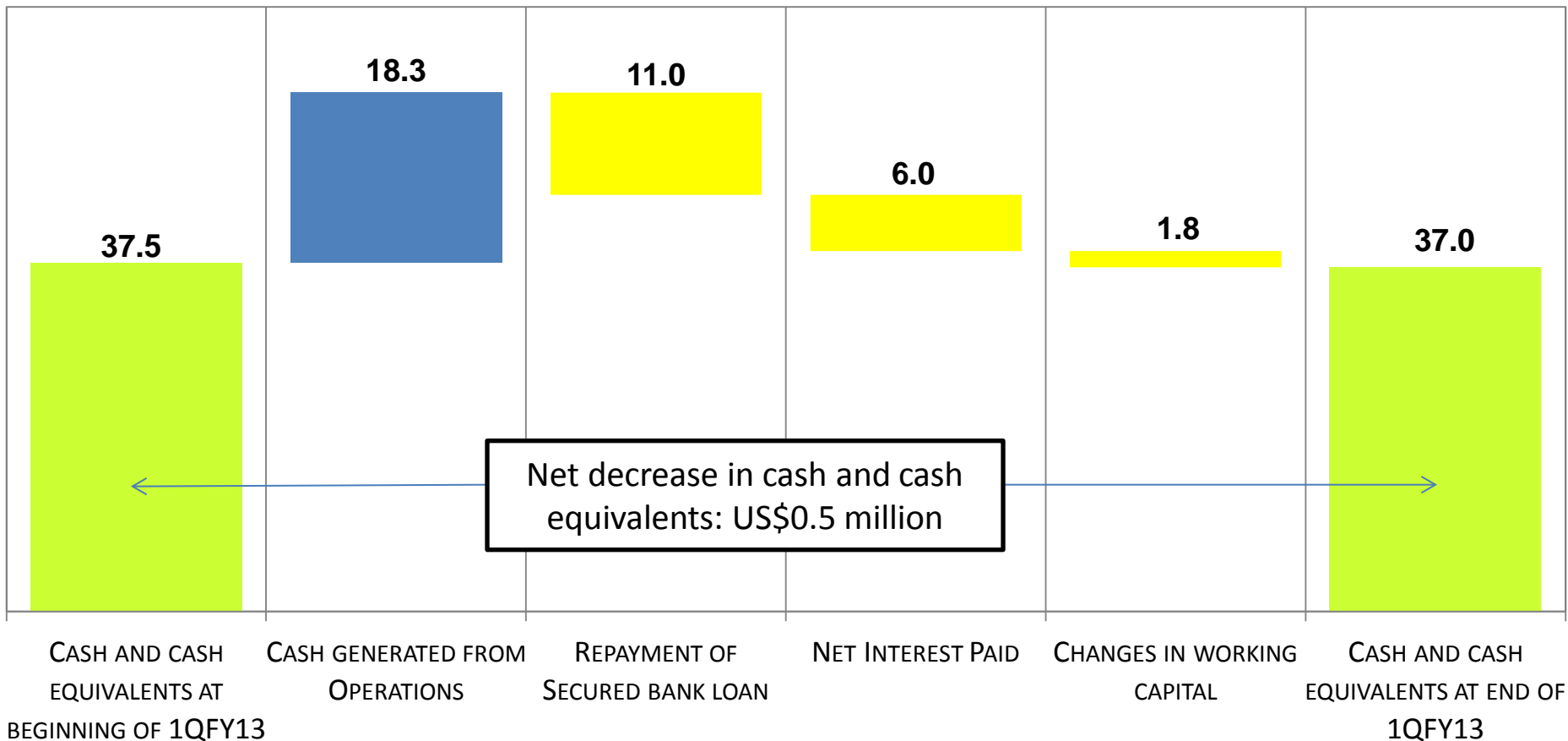
## Bareboat Charter/Bareboat Charter Equivalent (BBCE) revenue fell by 4.0%

US\$'000	1QFY13	1QFY12	% Chg	
<b>Rentals from vessels on bareboat charter</b>	17,342	21,239	(18.3)	<ul style="list-style-type: none"> <li>Due to payment defaults by BLT's subsidiaries since February 2012</li> <li>Lower rentals from TORM and OMNI due to restructured leases</li> </ul>
<b>BBCE revenue of vessels on:</b>				
<b>Time charter</b>	1,160	-	N.M.	<ul style="list-style-type: none"> <li>From <i>FSL Hamburg</i> and <i>FSL Singapore</i>; deployed on 3-year time charters with Petrobras @ gross rate of US\$14,000/day</li> </ul>
<b>Pool</b>	1,382	-	N.M.	<ul style="list-style-type: none"> <li>From 3 chemical tankers in 'Nordic Tankers 19,000 Stainless Steel Pool'</li> </ul>
<b>Spot</b>	-	(526)	(100.0)	<ul style="list-style-type: none"> <li>1QFY12 result due to mismatch in revenue and expense recognition from spot voyages by chemical tankers</li> </ul>
<b>Total Bareboat Charter /BBCE Revenue</b>	<b>19,884</b>	<b>20,713</b>	<b>(4.0)</b>	

# 1QFY13 Cash Flow Highlights



US\$ Millions



# Vessel Portfolio Fully Employed



**These 5 vessels will benefit from anticipated rate increases upon market recovery**

**2 TORM Product Tankers on Bareboat Charters  
- Earns market rates**

**3 Chemical Tankers in 'Nordic Tankers 19,000 Stainless Steel Pool'  
- Net pool earnings based on pool points**

**Stable cash flow is generated from 20 vessels on fixed charters**

**2 Product Tankers on 3-year Time Charters  
- At US\$14,000 gross daily rate per vessel**

**18 Vessels on Long-Term Bareboat Charters  
- Substantially fixed rates**



## **Demand still under pressure; Excess tonnage takes time to be absorbed**

- Eurozone troubles; Political gridlock in the US; Geopolitical troubles in Iran
- Overcapacity still hindering significant recovery of freight rates and asset values
- Newbuild orderbook appears more manageable

## **Mainstream shipping appears to be bottoming out**

- Product and chemical tanker sectors see improvement

## **Limited debt supply positive for tightening orderbook**

- Traditional shipping banks under significant pressure
- Increased regulatory pressure on these banks constrains lending
- Curtails speculative investments and new ship supply

# Stay The Course



- The Trust continues to closely monitor deployment of its vessels and lessees; remains in restructuring discussion with one bareboat charter lessee
- Currently in negotiations with its lenders to extend relaxation of its loan covenants beyond June 2013
- Vessel portfolio still generates sufficient cash flow to meet scheduled interest and principal repayments
- Trustee-Manager remains vigilant and committed to stay the course and sail through this protracted shipping crisis



# Investor Relations Contacts



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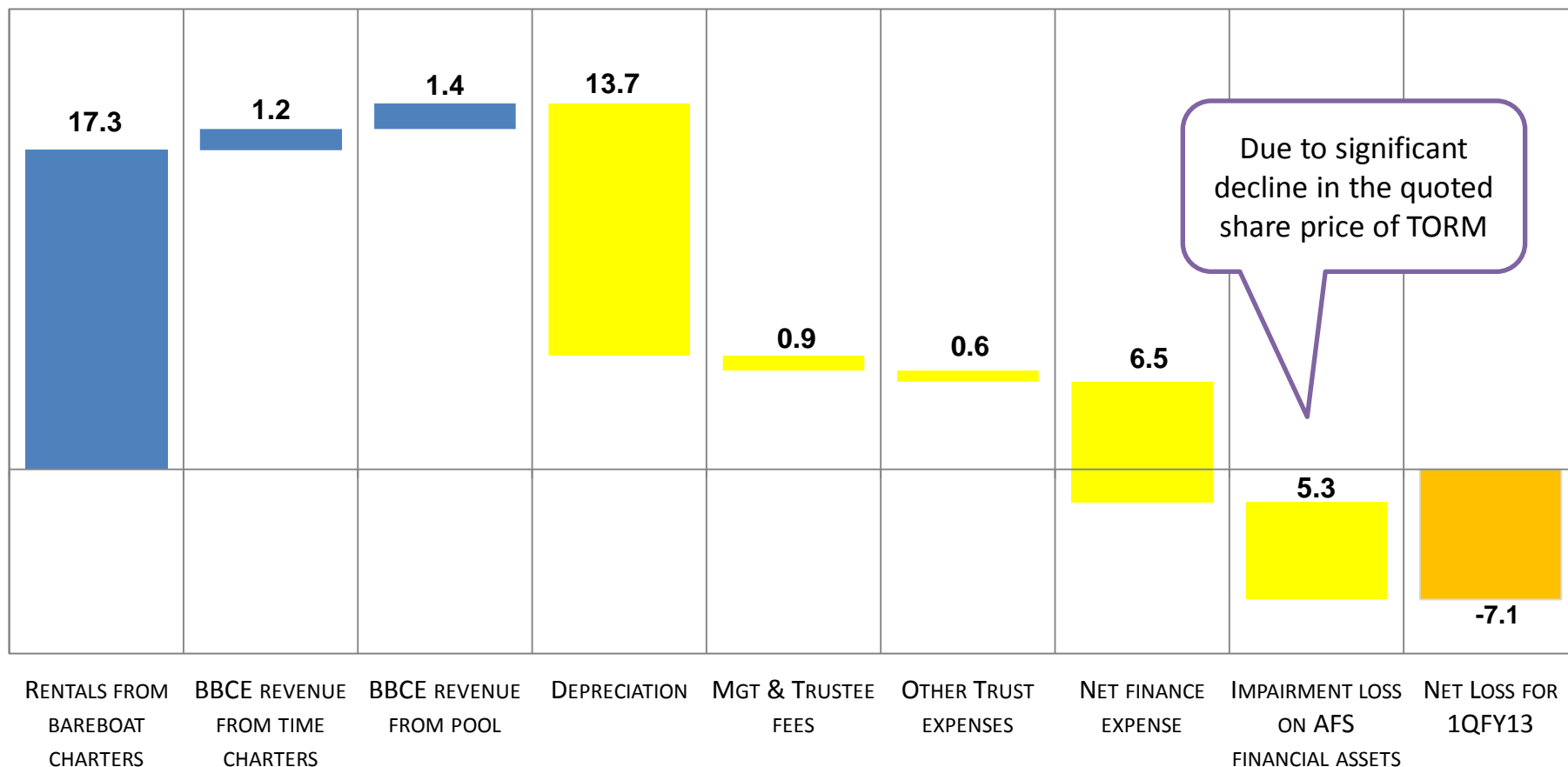
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# Appendix

# 1QFY13 Income Statement Highlights

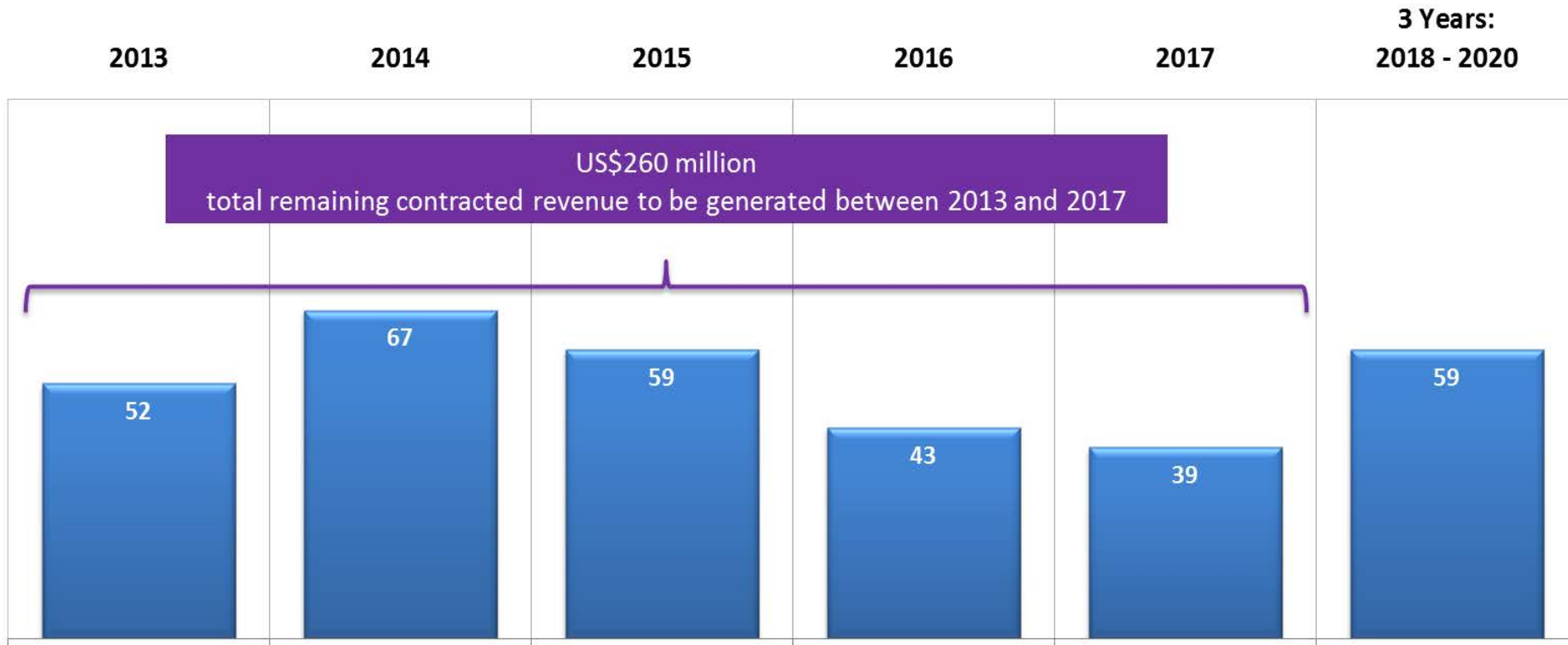


US\$ Millions



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

# Lease Revenue Backlog



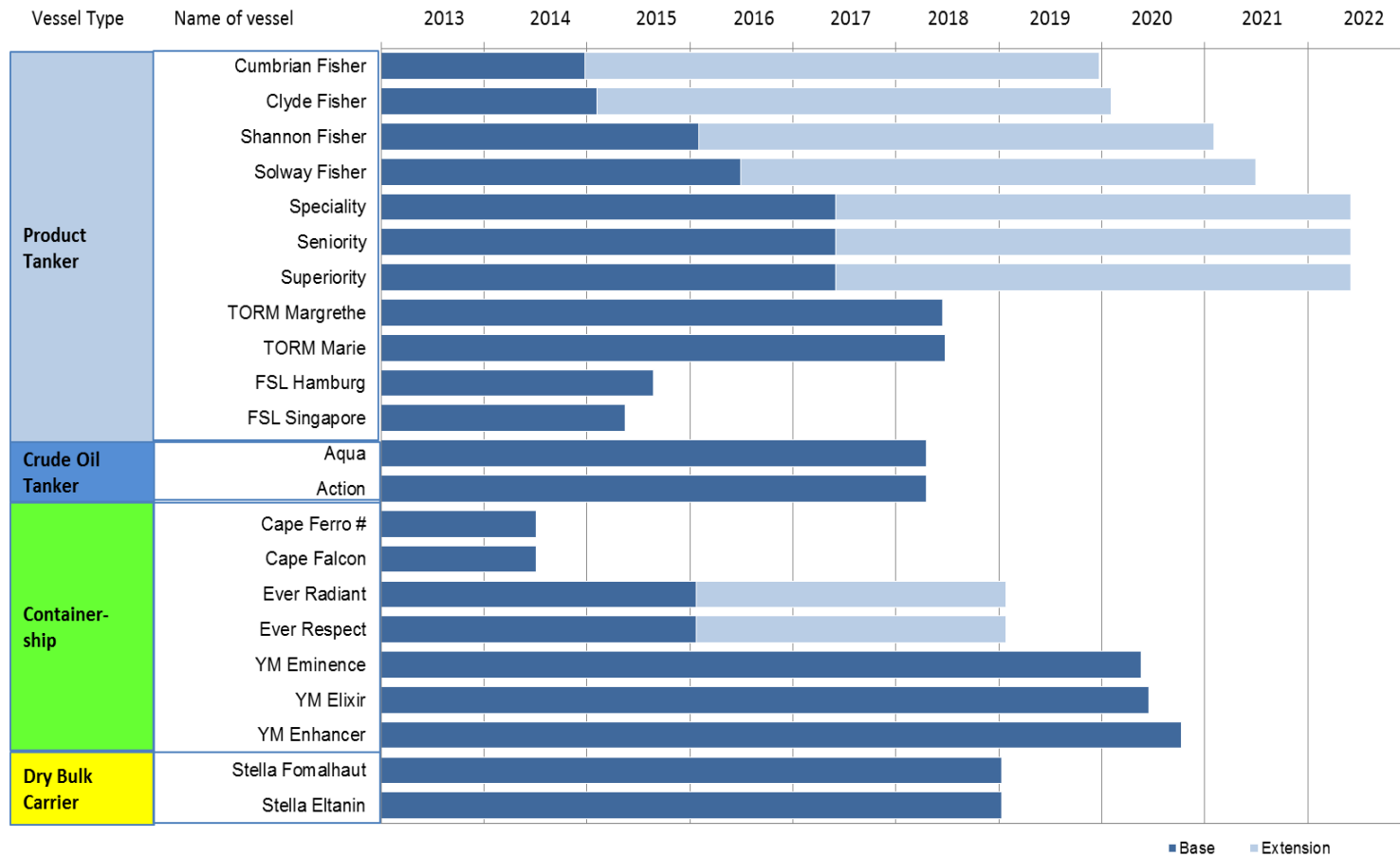
\* As at 31 March 2013, based on bareboat charter revenue from 18 vessels on long-term bareboat charters (excluding TORM charters which are leased on variable market rates) and estimated BBCE revenue from two vessels on three-year time charters. Excludes extension and early buyout options.

# Staggered Lease Maturities



**Remaining Lease Term in Years as at 31 March 2013**

**5 years\***  
Weighted average remaining lease term



\* As at 31 March 2013, 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.

# Formerly Calypso