



First Ship Lease Trust

3Q FY09

Results Presentation



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

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 statement.

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, ability to implement our investment strategy, dependence on credit facilities and new equity from capital markets to execute our investment strategy, insufficient insurance to cover losses from inherent operational risks in the industry, lower lease rates from older vessels, dependence on key personnel, , FSL Holdings Pte. Ltd.’s controlling stake in the First Ship Lease Trust (“FSLT”), short operating history, lack of historical financial history for the Trust, risk of government requisitions during periods of emergency or war, possibility of pirate or terrorist attacks, competition in the industry, political instability where the vessels are flagged or operate, cyclicity 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.

First Ship Lease 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 statement that may be made from time to time by or on behalf of First Ship Lease Trust.

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3Q FY09 Results Highlights

- **Distribution per unit (“DPU”) of US1.50¢ for 3Q FY09, comprising:**
 - Stub distribution of US1.27¢ for period 1 July 2009 to 16 September 2009
 - DPU of US0.23¢ for period 17 September 2009 to 30 September 2009
- **All lease contracts continue to perform as expected**
 - All lessees made full and prompt payment of lease rentals monthly in advance, including those for October 2009
 - Remaining contracted revenue of lease portfolio stands at US\$782 million
 - No attempt by any lessee to re-negotiate lease terms
- **4Q FY09 DPU guidance of US1.50¢**

Summary of Results

	3Q FY09 US\$'000	2Q FY09 US\$'000	QoQ % chg	3Q FY08 US\$'000	YoY % chg
Revenue	24,628	24,841	(0.9)	23,685	4.0
Profit after tax	2,737	2,347	16.6	672	307.3
Net cash generated from operations	17,628	17,106	3.1	15,812	11.5
Net Distributable Amount	7,964	12,707	(37.3)	15,812	(49.6)
Amount to be distributed	7,964	12,707	(37.3)	15,261	(47.8)
	3Q FY09 US Cents	2Q FY09 US Cents	QoQ % chg	3Q FY08 US Cents	YoY % chg
Distribution Per Unit					
For the period	1.50	2.45	(38.8)	3.05	(50.8)
Annualised	6.00	9.80	(38.8)	12.20	(50.8)

Recent Developments

- **Secured two-year waiver arrangement* for loan-to-value covenant from lenders, which extends until end of 2Q 2011 (“Waiver Period”)**
 - During waiver Period, minimum coverage ratio of the charter-free fair market value of FSL Trust’s vessel portfolio over its outstanding indebtedness is reduced from 145% to 100%
 - Loan amortisation of US\$8 million per quarter during Waiver Period
 - 50 bps – 70 bps interest margin increase during Waiver Period. The margin increase will be reduced to 25 bps across all loan tranches upon expiry of Waiver Period
- **Raised S\$41 million (US\$28 million) in net proceeds from equity placement of 80 million new units in September 2009**
 - Net proceeds to support future growth via vessel acquisition with leases

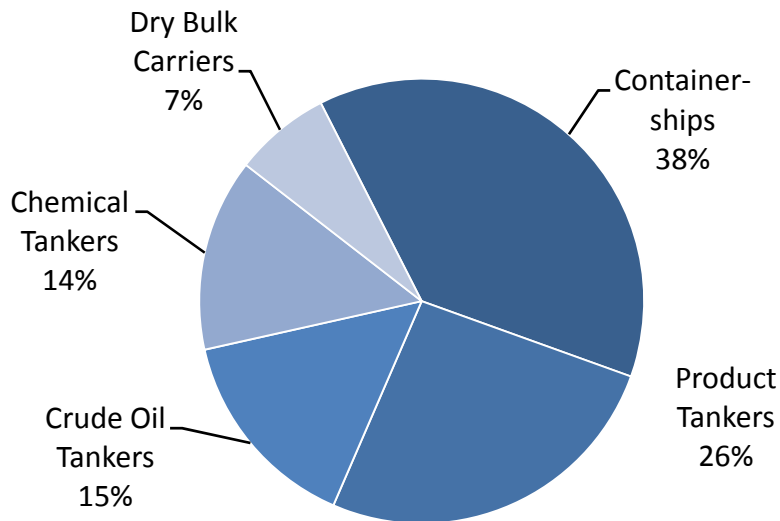
* Subject to documentation closing

Lease Portfolio

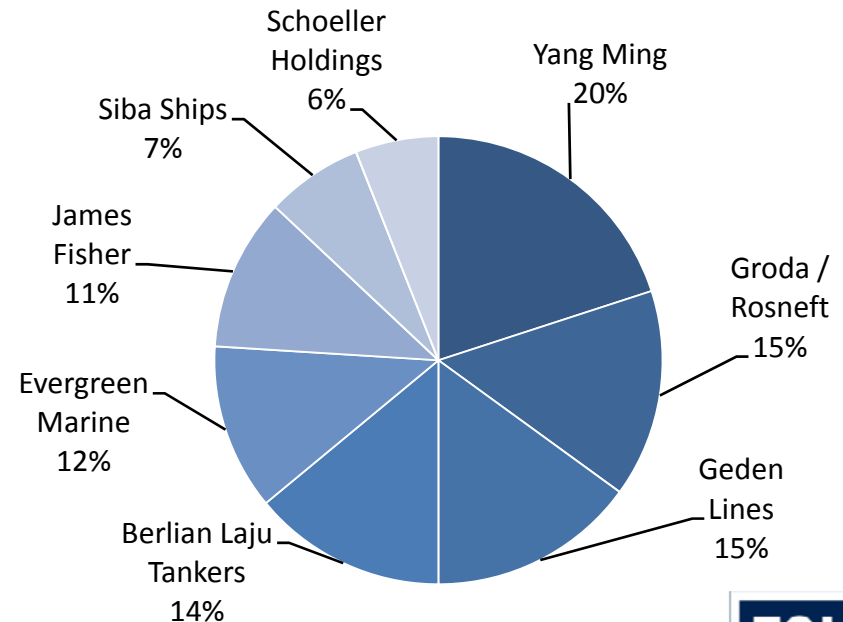
Well diversified across sub-sectors and lessees

- Number of vessels: 23
- Diversified across 5 sub-sectors
- Average age of vessel: 4.5 years
- NBV of Vessels: US\$857 million
- Remaining contracted revenue: US\$782 million
- Average remaining lease term: 8.0 years

Revenue by Vessel Type



Revenue by Lessees



Information as at 30 September 2009 and based on annualised revenue of US\$101 million

Credit Facility

- Outstanding debt is US\$500.3 million as at 30 Sep 09. This amount was further reduced to US\$493 million after voluntary prepayment on 1 October 2009
- 50 bps -70 bps interest margin increase during Waiver Period. The margin increase will be reduced to 25 bps across all loan tranches upon expiry of Waiver Period
- No loan maturity until 2 April 2012

Tranche	Facility Amount (US\$)	Amount Drawn, as at 30 Sep 09 (US\$)	Loan Maturity	Current margin over 3-mth US\$ LIBOR	Margin over 3-mth US\$ LIBOR during Waiver Period	Margin over 3-mth US\$ LIBOR after Waiver Period
A	250 million	250 million	27 Mar 2014	1.00%	1.70%	1.25%
B	200 million	200 million	2 Apr 2012	1.20%	1.70%	1.45%
C	65 million	50.3 million	2 Apr 2012	1.20%	1.70%	1.45%
Total	515 million	500.3 million				

Outlook

- FSL Trust's business is robust and has continued to deliver stable and predictable cash flows
- Current credit crunch and shipping industry downturn present an opportune time for FSL Trust to select and structure accretive transactions that would add more value to the Trust and diversify the lease portfolio
- FSLTM is currently evaluating a number of attractive acquisition-and-leaseback proposals
- FSLTM is providing a DPU guidance of US1.50¢ for 4Q FY09

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Financial Summary:

Consolidated Income Statement (unaudited)

Appendix

	3Q FY09 US\$'000	2Q FY09 US\$'000	QoQ % chg	3Q FY08 US\$'000	YoY % chg
Revenue	24,628	24,841	(0.9)	23,685	4.0
Depreciation	(15,324)	(15,324)	0.0	(14,748)	3.9
Management fees	(989)	(993)	(0.4)	(959)	3.1
Trustee fees	(45)	(46)	(2.2)	(45)	-
Incentive fees	-	-	-	(551)	(100.0)
Other trust expenses	(624)	(587)	6.3	(810)	(23.0)
Finance income	1,039	771	34.8	25	N.M.
Finance expenses	(5,946)	(6,311)	(5.8)	(5,900)	0.8
Profit before tax	2,739	2,351	16.5	697	293.0
Income tax expense	(2)	(4)	(50.0)	(25)	(92.0)
Profit after tax	2,737	2,347	16.6	672	307.3

Financial Summary:

Consolidated Balance Sheet (unaudited)

Appendix

	As at 30 Sep 09 US\$'000	As at 30 Jun 09 US\$'000
Non-Current Assets	862,022	874,736
Current Assets	56,438	23,839
Total Assets	918,460	898,575
Equity attributable to unitholders of FSL Trust	379,073	368,539
Non-Current Liabilities	482,582	512,879
Current Liabilities	56,805	17,157
Total Liabilities	539,387	530,036
Total Equity and Liabilities	918,460	898,575
	30 Sep 09	30 June 09
Net Asset Value per Unit based on units at end of period (US\$)	0.63	0.71

Total units in issue as at 30 September 2009 : 598,665,077

Total units in issue as at 30 June 2009 : 518,665,077



Financial Summary:

Consolidated Cash Flow Statements (unaudited)

Appendix

	3Q FY09 US\$'000	2Q FY09 US\$'000	3Q FY08 US\$'000
Operating activities:			
Net profit before tax	2,739	2,351	697
Adjustments for:			
Depreciation expense on vessels	15,324	15,324	14,748
Other fees and expenses	5,507	5,634	6,544
Operating Profit before working capital changes	23,570	23,309	21,989
Changes in working capital	(12)	(349)	365
Cash generated from operations	23,558	22,960	22,354
Income taxes paid	(12)	(24)	-
Cash flows from operating activities	23,546	22,936	22,354
Cash flows from investing activities	24	67	138
Cash flows from financing activities	9,009	(22,446)	(17,313)
Net increase in cash and cash equivalents	32,579	557	5,179
Cash and cash equivalents at beginning of period	23,557	23,000	19,225
Cash and cash equivalents at end of period	56,136	23,557	24,404