



FSL Trust

1QFY17 Financial Results
4 May 2017

1QFY17 – Key financial highlights

- Net profit improved to US\$ 3.4m in 1Q17
- Another quarter of positive cash generation
- Revenue declined 17.7% year-on-year, primarily due to:
 - the reduced fleet portfolio
 - softening of rates across all sectors
 - the two Aframax tankers went into drydocking
- Gearing⁽¹⁾ improved from 47.5% as at 4QFY16 to 43.3% as at 1QFY17

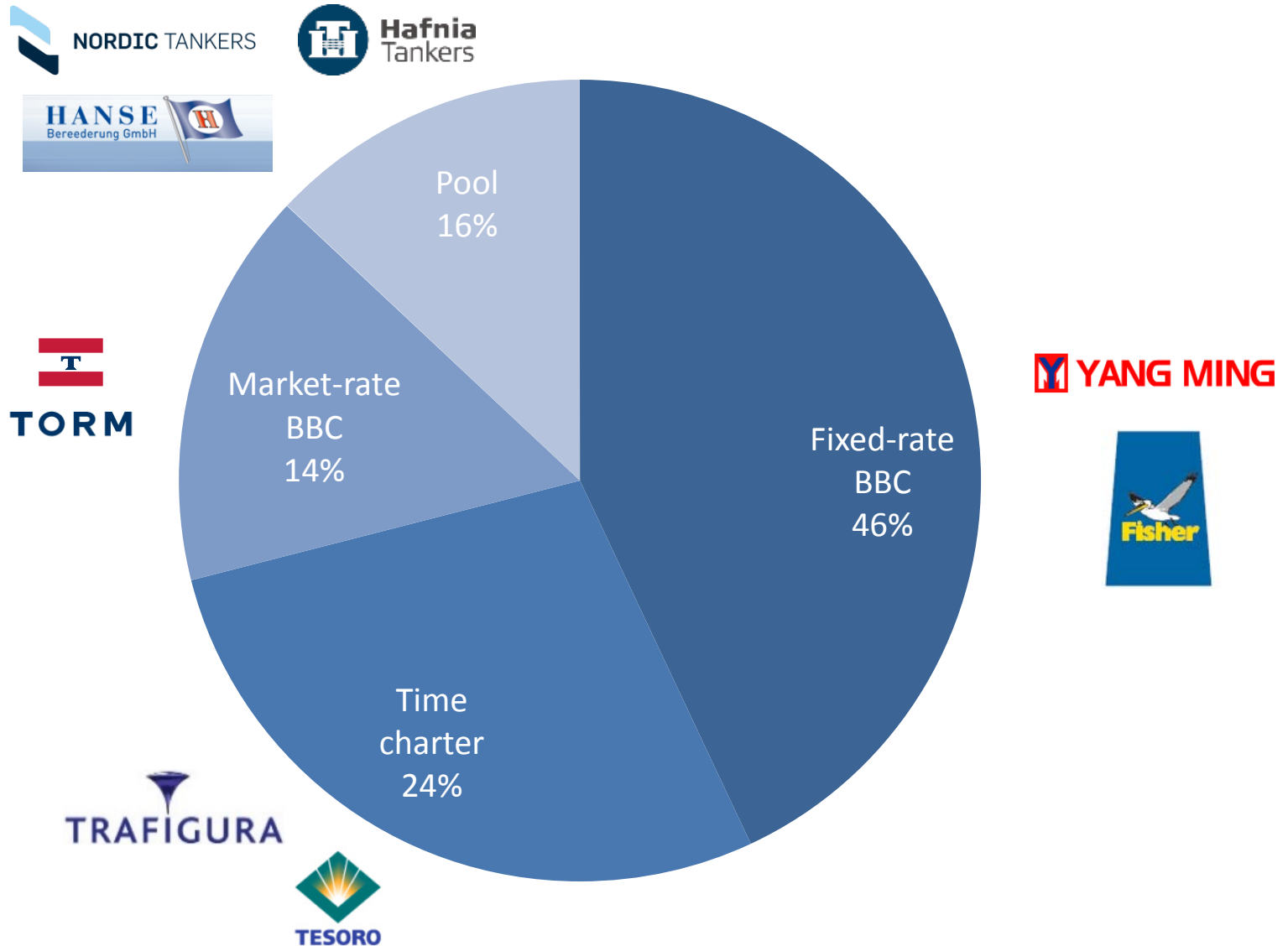
Performance review

US\$'000	1QFY17	1QFY16	Inc/(Dec) %
Revenue	21,949	26,666	(17.7)
Operating profit	5,556	9,089	(38.9)
Profit for the quarter	3,447	2,270*	51.9
Net cash generated from operations	12,422	16,117	(22.9)
Gearing ratio	43.3%	47.5%	(8.8)

- Revenue decrease mainly due to reduced fleet size and pressure on some spot/floating bareboat rates
- Repayment of US\$ 20m of debt in March 2017

* 1Q FY16 result was impacted by the disposal loss of US\$4.1m on the two Evergreen vessels

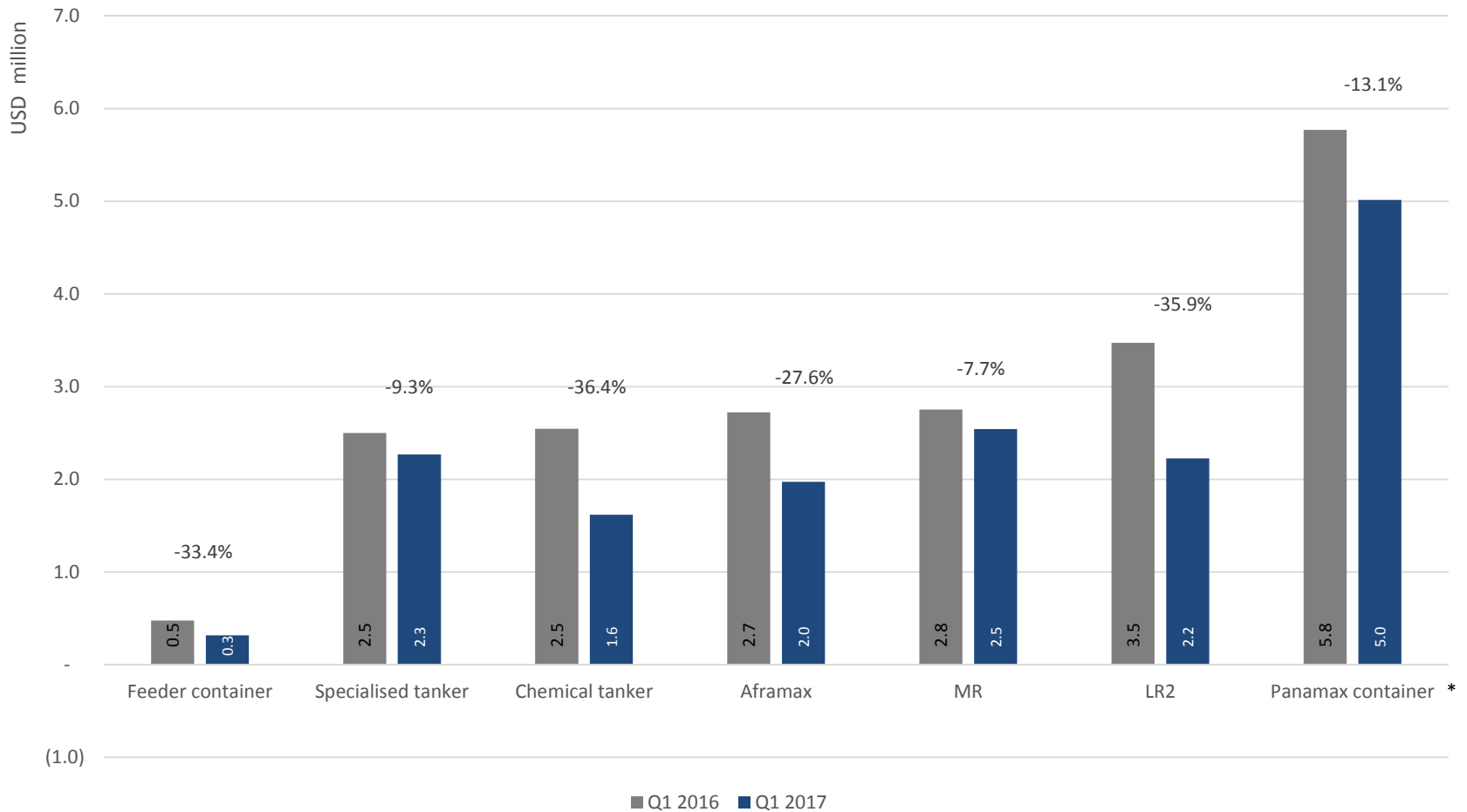
Fleet deployment by revenue⁽¹⁾



Note 1: BBCE revenue for the 3 months ended 31 March 2017

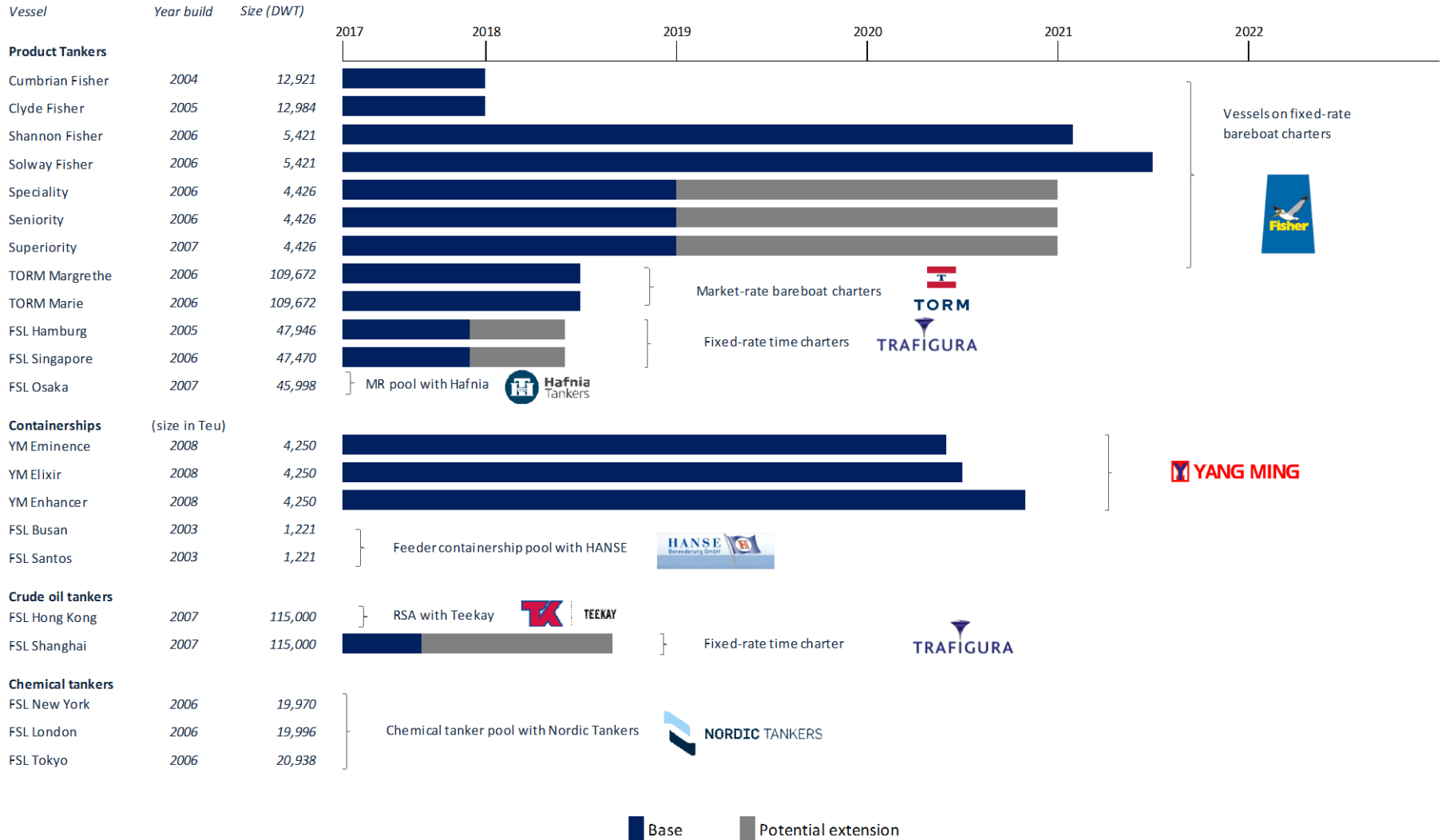
Operational performance

BBCE revenue by vessel type



* Reduced fleet with the disposal of two Evergreen vessels in Feb 2016

Lease maturity of vessels

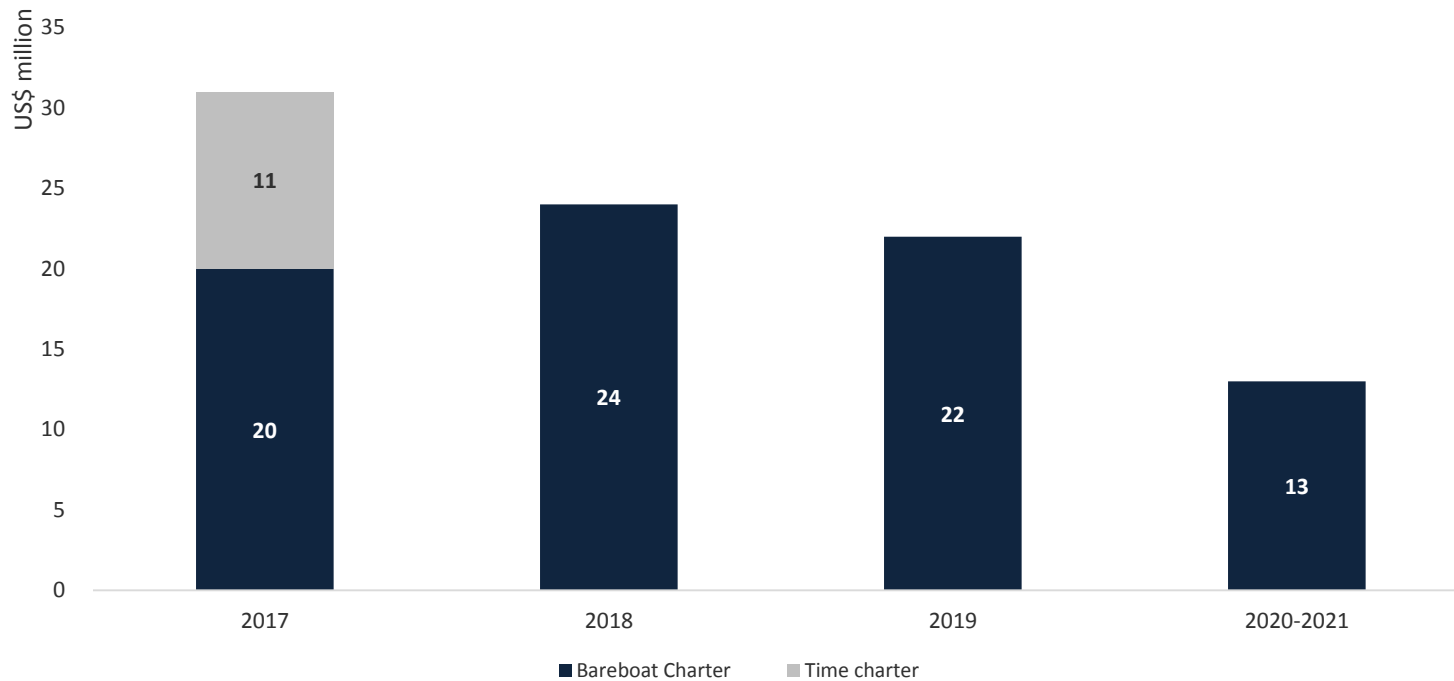


Vessels on fixed-rate bareboat charters



■ Base ■ Potential extension

Remaining contracted revenue stood at US\$ 90m ⁽¹⁾
as at 31 March 2017



Note 1: Based on revenue from ten bareboat charters (excluding the TORM charters on variable rates) and from time charter contracts with Trafigura (FSL Singapore, FSL Hamburg and FSL Shanghai)

Scheduled dry dockings for the next 12 months

FSL managed fleet - Vessels planned for dry docking

Vessel	Date
FSL Osaka	3Q FY2017

Latest dry dockings

Vessel	Date
FSL Hong Kong	2Q FY2017
FSL Shanghai	2Q FY2017

FY2017: Scheduled Redeliveries

Vessel	Date
FSL Shanghai	3Q FY2017
FSL Hamburg	4Q FY2017
FSL Singapore	4Q FY2017
Cumbrian Fisher	4Q FY2017
Clyde Fisher	4Q FY2017

- The Trust agreed to employ FSL Hong Kong in the Teekay Group RSA post dry-docking and have signed extension agreements for the continuing bareboat charter for Speciality, Superiority and Seniority in April 2017
- Five vessels (as above) are expected to be redelivered in FY2017
 - Charterer has the option of extending the time charters for FSL Shanghai, FSL Hamburg and FSL Singapore three months prior to the end of the base period
 - Discussions for the renewal of bareboat charters for Cumbrian Fisher and Clyde Fisher have commenced

➤ Summary

- Another quarter of positive cash generation despite the challenging shipping industry environment
- Gearing reduced to 43.3% with the prepayment of US\$ 20m in March 2017

➤ Outlook

- Shipping markets across all sectors remain under pressure in the near term, but the financial effects should be mitigated by FSL Trust's charter book
- 1H 2017 will be affected by the dry docking of two Aframax tankers which will impact the Trust's profitability and cashflow generation

Thank You