



FSL Trust

2QFY17 Financial Results

4 August 2017

2QFY17 – Key financial highlights

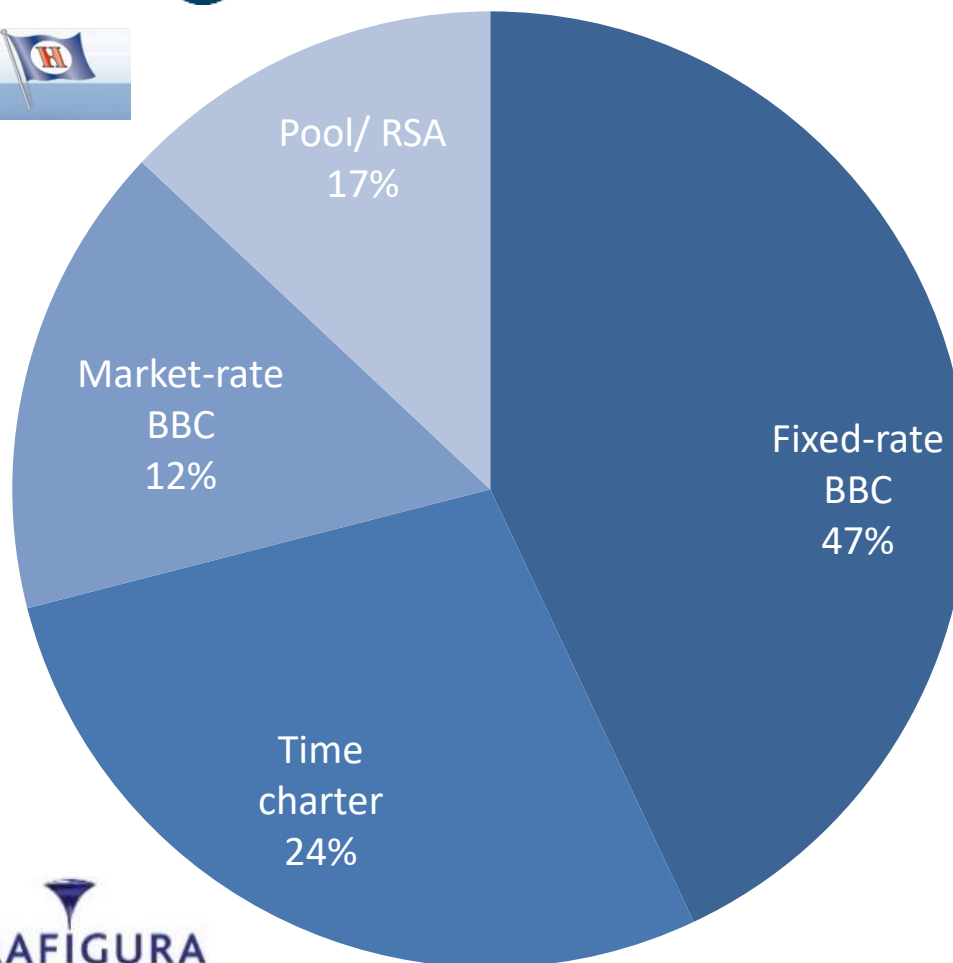
- Net loss of US\$ 21.8m in 2Q17 due to US\$24.1m non-cash impairment
- Another quarter of positive cash generation
- Revenue declined 17.4% year-on-year, primarily due to:
 - softening of rates across all sectors
 - both Aframax tankers went into drydocking
 - Bareboat agreements renewed at lower rates for vessels Speciality, Seniority and Superiority
- Gearing⁽¹⁾ marginally higher at 44.2% as at 2QFY17 vs 1QFY17

Performance review

US\$'000	2QFY17	2QFY16	Inc/(Dec) %
Revenue	20,949	25,348	(17.4)
Operating (loss)/ profit	(19,574)	7,774	N.M.
(Loss)/ profit for the quarter	(21,808)	5,487	N.M.
Net cash generated from operations	11,283	15,088	(25.2)
Gearing ratio	44.2%	46.0%	(3.9)

- Revenue decrease mainly due to pressure on some spot/floating bareboat rates
- More than US\$ 62m of debt repaid in 12 months

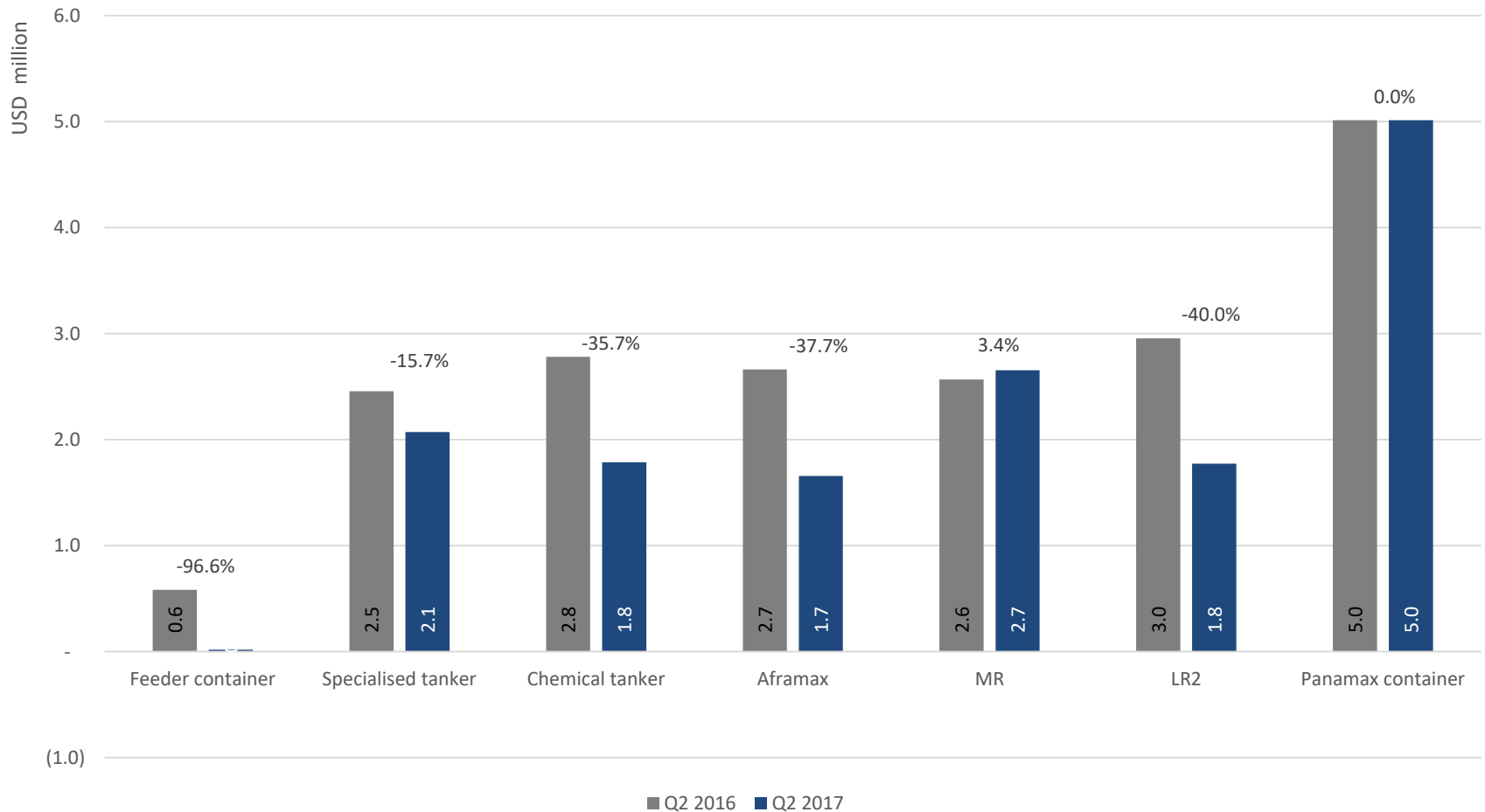
Fleet deployment by revenue⁽¹⁾



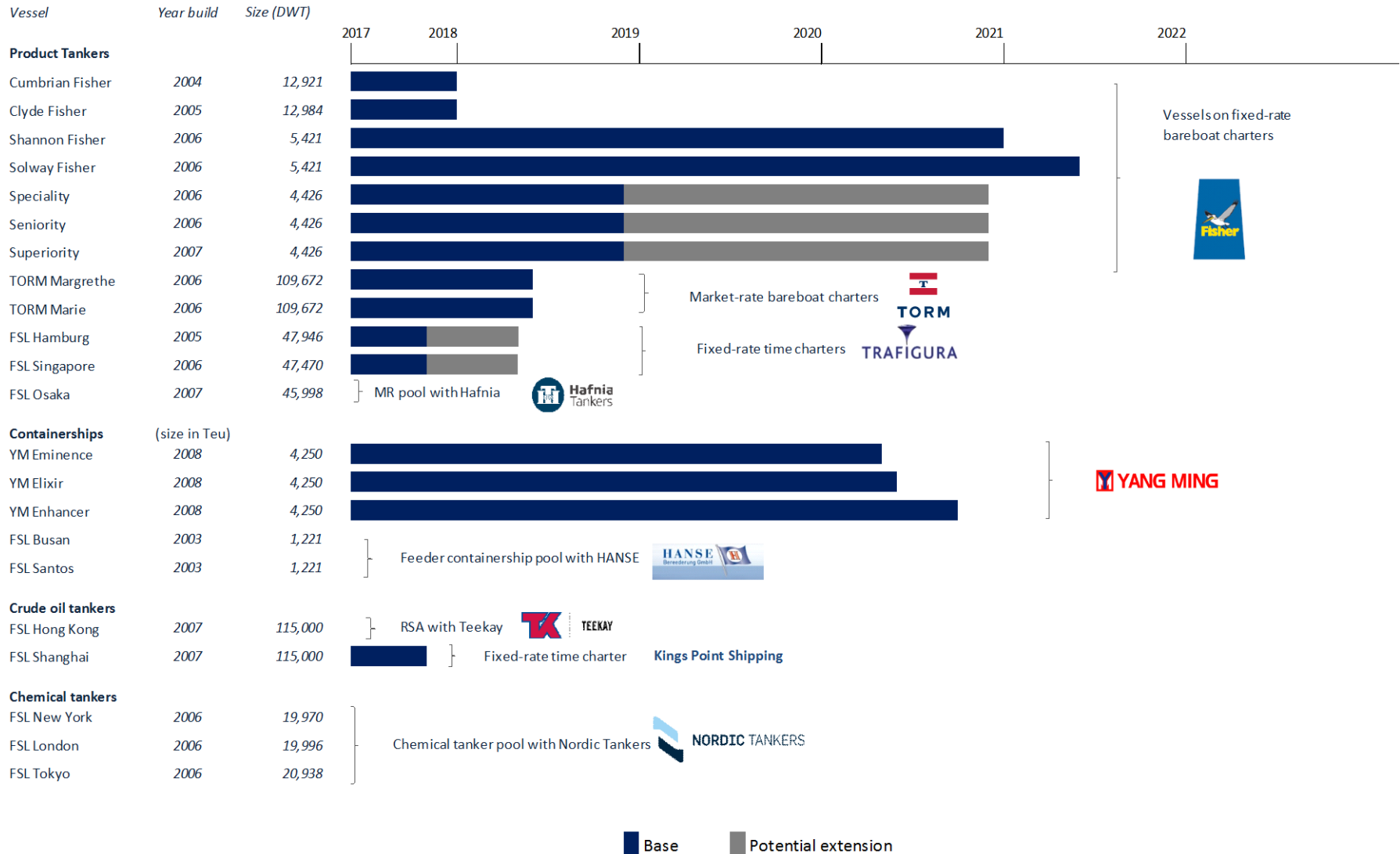
Note 1: BBCE revenue for the 3 months ended 30 June 2017

Operational performance

BBCE revenue by vessel type



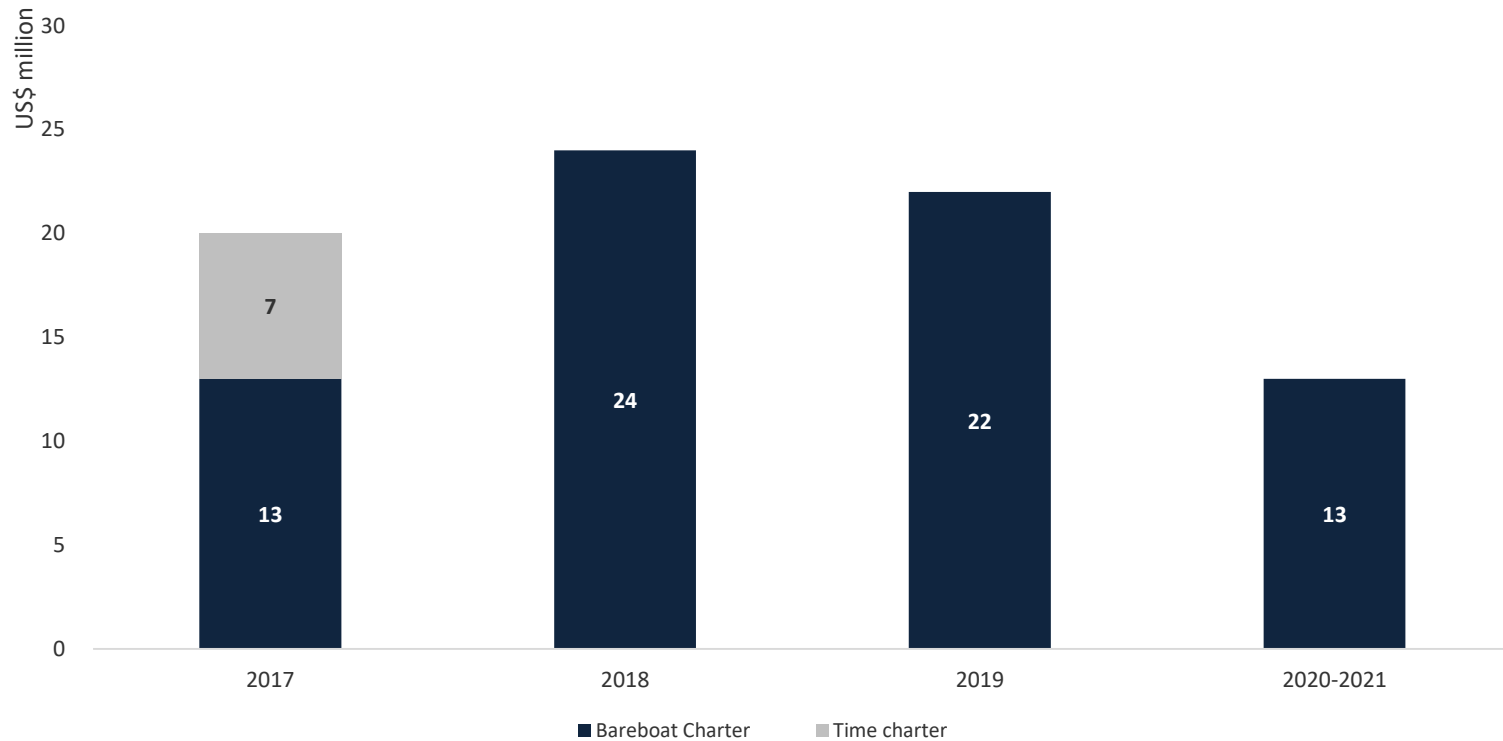
Lease maturity of vessels



■ Base ■ Potential extension

Revenue backlog

Remaining contracted revenue stood at US\$ 79m ⁽¹⁾
as at 30 June 2017



Note 1: Based on revenue from ten bareboat charters (excluding the TORM charters on variable rates) and from time charter contracts

Scheduled dry dockings for the next 12 months

FSL managed fleet - Vessels planned for dry docking

Vessel	Date
FSL Osaka	3Q FY2017
FSL Santos	1Q FY2018

Latest dry dockings

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

FY2017: Scheduled Redeliveries

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

- The Trust signed a short-term time charter for FSL Shanghai. Charter period of minimum 40 days to maximum 120 days at charterer's option.
- Four vessels (as above) are expected to be redelivered in FY2017
 - Charterer has the option of extending the time charters for 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 has commenced

➤ Summary

- Another quarter of positive cash generation despite the challenging shipping industry environment
- Gearing increased marginally to 44.2% as at 2QFY17 vs 1QFY17

➤ 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
- 3Q 2017 will be affected by the dry docking of one MR which will impact the Trust's profitability and cashflow generation

Thank You